United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 109th CONGRESS, FIRST SESSION

Vol. 151 WASHINGTON, THURSDAY, NOVEMBER 17, 2005 No. 153—Book II

House of Representatives

PROVIDING FOR CONSIDERATION OF H.R. 4241, DEFICIT REDUCTION ACT OF 2005—Continued

□ 2108

Messrs. CARNAHAN, AL GREEN of Texas, WYNN, RUSH, PETERSON of Minnesota, ISRAEL and Ms. MCKINNEY changed their vote from ''yea'' to ''nay.''

Messrs. BEAUPREZ, HEFLEY, WELDON of Florida, SOUDER, POMBO, SHUSTER, MACK, Mrs. KELLY and Mrs. BONO changed their vote from ''nay'' to ''yea.''

So the question of consideration was decided in the affirmative.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman from Florida (Mr. PUTNAM) is recognized for 1 hour.

Mr. PUTNAM. Mr. Speaker, for the purpose of debate only, I yield the customary 30 minutes to the gentlewoman from Rochester, New York (Ms. SLAUGHTER), pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

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

Mr. PUTNAM. Mr. Speaker, this is an historic evening, an evening when we have come together to truly chart the course for the Federal Government's spending over the next number of years.

House Resolution 560 provides for consideration of H.R. 4241, the Deficit Reduction Act of 2005. The Deficit Reduction Act of 2005 is the first time since 1997 that such a measure has come this far. The rule provides 2 hours of debate and a motion to recommit with or without instructions.

As a member of both the Rules and the Budget Committee, I am pleased to bring this historic resolution to the floor for our consideration.

Mr. Speaker, most all Americans rely on the government to provide security for themselves and their families, for their Nation. After defense, though, expectations vary widely about what Americans expect out of their government. But those expectations, whatever they may be, they all are rooted in the common need, the common expectation that whatever government does, that it be done wisely, prudently, efficiently, without waste or abuse of their hard-earned tax dollars.

The congressional budget process is a chance to ensure that our government behaves in a fiscally responsible and responsive manner to provide opportunity and security for today and for future generations.

In my first term in Congress I was appointed to the Budget Committee. I was pleased that this assignment would afford me the opportunity to receive the full scope of all the programs that exist, all the agencies, all the departments that fall under the umbrella of the Federal Government. But I was shocked when I got on that committee to learn how little control Congress actually exerts over spending in many of these agencies and programs.

Discretionary spending, that portion of the budget that consumes all the sound and fury that a Congress can manufacture, makes up less than half of total spending, half of the total budget.

□ 2115

Mandatory spending, entitlement spending, that spending that is on autopilot, accounts for 54 percent of the total budget and, if left unchecked, in a decade will consume nearly two-thirds, or 62 percent, of total Federal spending.

I have been dismayed at how Congress has allowed its voice to become fainter and fainter when it comes to spending taxpayer dollars on entitlement programs. It is time that this Congress take responsibility for the entire spending picture. We cannot avoid the tough decisions. It is our job to set the priorities of government and then fund them appropriately. It is our job to practice thorough oversight of the programs and agencies that consume our tax dollars. We must find the waste, the fraud, the abuse in the programs and blaze a trail to smarter, more responsive government.

Anyone watching the aftermath of Hurricane Katrina would agree that government was neither smart nor responsive. The time has come for this House to reassert its role and take back control of both discretionary and mandatory spending.

This legislation is another step towards smarter and more confident government. The congressional budget resolution called for a reduction in discretionary spending; and for the first time since 1997, it included deficit reduction instructions to authorizing committees to find and achieve mandatory savings for a more accountable government. It does this by finding smarter ways to spend and by slowing the rate of growth in the Federal Government.

Eight different authorizing committees have worked hard to find these savings within their individual jurisdictions through regular order, through individual members practicing their individual expertise, through their individual interests on their authorizing committees. Regular order was used to develop this plan for a smarter government, and I want to commend those chairmen and all those committee members, not just the Budget Committee members, not just the Appropriations Committee members, but the entire House who participated in this process and, through their aggressive oversight, identified nearly $50 billion in inefficiencies.

I want to congratulate the gentleman from Iowa (Mr. NUSSLE), our budget chairman, and his ranking member and

Printed on recycled paper.

all the members of the Committee on the Budget of the House for their hard work, for preparing the deficit reduction package.

I look forward to passing this reform bill and reaffirming sound oversight and fiscal accountability here in Washington.

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

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

(Ms. SLAUGHTER asked and was given permission to revise and extend her remarks.)

Ms. SLAUGHTER. Mr. Speaker, I once said that budgets are moral documents. They reflect our choices, our priorities and they most clearly define our values, as a government and as a Nation.

Today's 5-year budget reconciliation is no different, and that is exactly why the Republicans in the House are worried. They are worried that the American people will see that they have sold out our American values.

So it should come as no surprise that it has taken a week of intraparty fighting in the Republican Conference and one false start to get the bill to the floor. Why? Because they cannot muster the votes in their own party to get this budget passed.

One of my Republican colleagues captured it best in yesterday's CQ Daily when he said, ''If the Republican Party cannot stand for responsible spending, then we stand for nothing at all.''

I agree with him on that point; and as this Republican leadership continues to flail and flounder, there can be only one conclusion drawn from this budget reconciliation, that this majority has come to stand for nothing at all, except for making the rich richer while the rest of America pays the bill.

Because at its core, that is what this budget does, and it is what the budget was intentionally designed to do, cut vital programs and increase the national debt in order to create tax cuts for the rich and the superrich.

I and many of my colleagues in this body, both Republican and Democrat, see nothing at all responsible about this agenda, and neither will the majority of the American people.

This budget reconciliation is not worthy of the ideals of this Nation. If it gets out of the House tonight, this Congress should be ashamed.

Republicans call this the Deficit Reduction Act, when very shortly they will actually increase our already-obscene deficit by another $5 billion by passing the tax cut bill. Republicans will claim on the floor tonight that they are reducing the deficit, but it is a deception.

Do not be fooled by their Enron-style accounting. The majority deliberately chose to separate this bill from its planned package of $56 billion in tax cuts for the rich, more than half of which goes to the superrich, those with incomes over $1 million a year.

Without missing a beat, they are trying to finance the tax cut, as well as the skyrocketing debt, on the backs of the poor, the disabled, the elderly, and the middle class. As a result, working Americans will pay more and get less.

For instance, the budget will cut student aid programs by $14.3 billion, which will make college more expensive, or totally unaffordable, for you and your children and will ensure that literally millions of students will not have the means to achieve a higher education.

Until earlier this evening, they were even planning to cut the school lunch programs for poor children and food stamps for needy families. I would ask, whose values are these? They certainly are not mine, and they are not the values of the hard-working families that I represent, which leads me to a very important point that I need to make here today.

Three months ago, a stunned Nation watched as the national horror that was Hurricane Katrina unfolded on our television screens. No one could believe that this kind of widespread suffering could happen here in America. It was a sobering moment for this Nation. It was the moment that we understood that America had forgotten our moral responsibility to provide for the security and welfare of all our fellow Americans.

I would ask my friends in the majority, in the wake of that realization, how can we cut the very programs that the victims of Hurricane Katrina will depend on to rebuild their lives? So that the richest among us can be even richer?

Unfortunately, this majority sees fit to pull what little these victims have left right out from under their feet.

The result of this budget will be the denial of affordable medical service to those who have nowhere else to turn and the creation of unprecedented health care premiums for those who can least afford them.

Child support services are cut as well, making it harder for working parents to raise their children.

I would ask my fellow citizens, have we learned nothing? Is this the America that you believe in?

Last year alone, the salary of the major corporate CEOs increased by just an average of 30 percent. This year, the oil companies are making the highest profits in history. In fact, over the last 4 months alone, Exxon Mobil has earned just shy of $10 billion in profits, and middle-class Americans at this time can no longer afford to fill their cars with gas.

As the winter approaches, middle-class families in the Northeast are having to choose between paying their skyrocketing heating bills and buying food for their families, and it is only November. All the while, the majority is making it harder for your children to go to college and more expensive to get decent health care for your family. I cannot think of anything less American than this. I cannot think of anything more out of touch with the values of our families.

After all, no responsible parent in America would fail to provide their children food and clothes or an education just so they could afford to buy a boat or take a trip, but that is the moral equivalent of what this majority seeks to do here today; and it is a subversion of every value we hold dear, because as Americans we meet our responsibilities. We take care of our families. We pay our bills, and we should demand the same thing from this Republican government.

That is why I am asking my colleagues to oppose this rule and strongly oppose this bill, because the budget sells out America. I would ask, if we accept this, what will be next? If we say that it is acceptable to slash education, health care, trade protection, senior medical coverage, affordable housing, student loans, foster care and family planning, if we agree to abandon all fiscal responsibility and further increase the already record national debt, just so that we can orchestrate one of the biggest giveaways to the rich, then what will be next?

I know if we band together America can do better than this. We can do better than turning the American Dream into a privilege for the few, instead of a right for all. We must do better, and we need to start today by rejecting this bill.

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

Mr. PUTNAM. Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Texas (Mr. SESSIONS).

Mr. SESSIONS. Mr. Speaker, I want to thank the gentleman from Florida, not only for his leadership but also working so diligently with the Budget Committee, including the gentleman from Iowa (Mr. NUSSLE), our great chairman.

Mr. Speaker, tonight is an opportunity for the Republican majority to meet the demands of this great Nation when we talk about the ability to have a plan that will help control spending, where we can move forward to make sure that we better the circumstance that this country is in.

Earlier this year, this Congress began engaging Governors from all across this great Nation about ways in which we could make Medicaid spending and Medicaid programs work more efficiently across this government. I participated with the gentleman from Iowa (Mr. NUSSLE) in meetings with Mark Warner, who is a Democrat Governor from Virginia, and Tom Vilsack, who is a Governor from Iowa. We talked about ways that this Congress could go about giving the Governors more flexibility and the ability to manage those processes and programs that they have in place.

The Budget Committee, as a result of work that has been done by other committees, one-eighth of the bills which we bring tonight simply talk about

ways that we can make sure that the spending that is done tonight is done more efficiently and more effectively, but done in a way that will create better services to the American public. What we find now, as we come to the floor to do the things that literally Governors all across this country have asked for, the flexibility to run their programs without just giving them waivers, but to let them run their own programs, we are told we are cutting services to poor people and how mean we are.

The truth could not be further from that which is said, Mr. Speaker. The fact of the matter is that we are going to put more money than ever in Medicaid that will allow States the opportunity to take care of their problems.

I am proud of this bill tonight. I support it, and I hope that the American people see it for what it is, a great opportunity to save money.

Ms. SLAUGHTER. Mr. Speaker, I yield 1 minute to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY. Mr. Speaker, I thank the gentlewoman for the time.

Mr. Speaker, this budget reconciliation is a Republican raid on student aid: over $14 billion in cuts to Federal student aid programs, cuts that add $5,800 to the costs of the average student's education, $5,800. That is a lot of money for any family, especially the poor and the working poor.

Actually, cutting student aid is a very clever new military recruiting tool because by discouraging students from attending college for financial reasons, their only choice is often to join the military.

Nearly 50 percent of military recruits come from lower-middle-class to poor households. Mr. Speaker, in the year 2004, nearly two-thirds of Army recruits came from areas where the median household income is below the U.S. average, where joining the military is the only way to learn a trade or pay for school.

The raid on student aid becomes a military draft through the lack of opportunity.

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

Before we get too deep into this debate, let us go ahead and straighten out three myths.

Myth number one is the myth of the cuts, because only in Washington and only in the other side's rhetoric is a reduction in the rate of increase considered a cut. When growth rates are going from 7.5 percent to 7.3 percent or from 6.3 to 6 percent and programs are getting more dollars the next year than they got the year before, that is not a cut.

Myth number two, that it is mean. What could be mean about demanding that services to people who need them the most are administered effectively, wisely, and efficiently? Is it waste in programs that administer to our most needy and our most vulnerable, the worst kind of waste?

□ 2130

Do we not have a special obligation to root out those dollars that have been directed to the people who need them the most but are not finding their way there because of inefficiencies in our government?

And, thirdly, that this is somehow part of an overall scheme that is tied in with preventing tax increases. There are two separate packages moving. You have an opportunity, you have an opportunity to vote against keeping the tax rates where they are and allowing them to rise. You have an opportunity to do that. But you have a separate opportunity, through regular order, through the ordinary process, through all the individual committees, to also take a stand to correct and rein in mandatory spending that is out of control and is gobbling up the Federal budget. You have that opportunity.

Two separate votes. You can be for savings and still vote to let taxes go up on another day, but do not try to have it both ways.

Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. GARRETT) to elaborate on these points.

Mr. GARRETT of New Jersey. Mr. Speaker, Federal spending is just too high and basically it is in danger of spiraling out of complete control. But American families are really better off if they are able to keep more of their money to decide to spend it as they see their needs fit. But only when excesses and unnecessary spending are identified and eliminated will that happen. And that is really the responsibility of both sides of the aisle.

The bill before us began with $34 billion in savings. We have another $15 billion roughly in savings on top of it. This will not fix our mandatory spending problems right away, but it is a first step in the right direction.

Unfortunately, opponents on the other side of the aisle have been spreading lies about it when they say there are cuts in the Medicaid funding program. In fact, the reform program includes a 7 percent increase in spending for Medicaid. Programs like Medicaid simply cannot sustain themselves without any reform. No one can argue that Medicaid is a completely 100 percent efficient program. Reforms are necessary to protect the program and protect the services that are provided to the people who receive them. Right now, around 53 million Americans receive the benefits of this program. It is a State-Federal partnership. And unless reform is done now, we will see that program become disabled and cripple the States and eventually lead to bankruptcy.

One area we see this is in prescription drugs. Time and time again, the Federal Government overpays for prescription drug benefits. And unless reform is made in this program, we will see that program crash as well.

The other side has lied with regard to student loans as well. There are no cuts in the student loan program under this budget reform plan. That is another lie of the other side of the aisle. As the number of college students increases, the student loan program will grow as well. Under this bill, student financial aid will continue to increase as the number of kids in colleges increase. Financial aid actually goes up through increases in loan limits and reductions in origination fees.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. BOYD).

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

Mr. BOYD. Mr. Speaker, my young friend from Florida (Mr. PUTNAM) knows very well that his constituents and most Americans understand that when you reconcile a budget that you have two sides of that budget, the spending side and the tax side. I would agree with many things that he says, that spending has run out of control. It certainly has run out of control in the last 5 years since this administration has been in and the Republicans have controlled the Congress and the White House.

Americans also understand that we need to balance our books. They do it in their homes. They do it in their businesses. They do it in their local governments. That is the problem that most of us have with this process that is going on here.

Today we are looking at a spending cut bill that is somewhere in the neighborhood of $50 billion, give or take a few hundred million. Tomorrow we are going to look at a revenue reduction bill that is somewhere in the range of $60 to $70 billion, depending upon what the Rules Committee reports out. In any event, what we will have will be an increase in the deficit, money that will have to be borrowed by the American people to cover those differences.

The American people also understand that this United States Government has an $8 trillion Federal debt, that we have about a $500 billion annual deficit, the highest in the Nation's history. We have the largest trade deficits in the history of the Nation. We have got a very expensive and controversial war in Iraq. We have got the highest gas prices in the history of this Nation. We have got interest rates that are going up on a monthly basis.

Mr. Speaker, the economic model has suffered, and it is time to put it right with a bipartisan summit called by the President of the United States.

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

I would just point out that the gentleman has two votes coming up, one where he can do something about the spending and one where he can make clear the position on either raising taxes or not raising taxes. There are two separate and distinct votes. He cannot have it both ways.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. HENSARLING).

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

I believe that I will agree with our Democrat colleagues on very little this evening, but one thing I do agree on, Mr. Speaker, is that this is a debate about values. We value the family budget. They value the Federal budget. We value accountability. We value efficiency and rooting out waste and fraud and abuse. They value more government, more bureaucracy, more dependency. And that is the difference, Mr. Speaker.

We all know that there is a fiscal hurricane coming towards America. The General Accountability Office said if we do not start this process of reforms and start it today that within one generation, we will have to double taxes on the American people. Mr. Speaker, that is simply unconscionable.

Our friends on the other side will say we simply cannot cut government spending. Well, I wish, in fact, that we were cutting government spending, but instead, the Federal budget is going to be greater next year than last year. Mandatory spending is going to be greater next year than last year. Food stamps will be up. Medicare will be up. Medicaid will be up. That is falsehood.

They tell us there is no waste, fraud, abuse, duplication in the Federal budget. Yet this is a Federal budget that in the past has paid five times as much for a wheelchair in one bureaucracy than another because one would competitively bid and the other would not. This is a bureaucracy that has paid VA benefits to dead people. And the list goes on.

We will hear from the other side that tax relief is somehow the problem for all of our fiscal woes. Yet we have cut taxes and tax receipts are up and 4 million jobs have been created.

And, finally, we will hear about compassion, Mr. Speaker. But where is the compassion in doubling taxes on our children in one generation, taking away jobs, taking away hope, taking away opportunity from those who are most vulnerable, those who do not vote, and those who are not yet born? There is no compassion in that, Mr. Speaker.

We must pass this reform package.

Ms. SLAUGHTER. Mr. Speaker, I yield 2½ minutes to the gentleman from California (Mr. CARDOZA).

Mr. CARDOZA. Mr. Speaker, before I begin my presentation, I want to just say I cannot believe the comments from the gentleman who just spoke.

Today, the national debt stands at over $8 trillion. That is more than $27,000 for every man, woman, and child in America. This fiscal mess is a direct result of the policies put in place by the leadership of this Congress and the Bush White House.

Our friends on the other side of the aisle want the members of the Blue Dog Coalition to join with them in their latest efforts to run the deficit even higher. Mr. Speaker, that will never happen. It is time for real reform, not more of the same. The Blue Dog Coalition has put forward a comprehensive 12-step program that would dig America out of its fiscal mess.

Remarkably, our Republican colleagues have criticized the Blue Dogs for not supporting their sham reconciliation program, even though several of their original programs are put in the Blue Dog 12-step program. After refusing to reach across party lines to negotiate a real deficit package, the Republicans now accuse the Blue Dogs of partisanship.

Are you all serious? My friends, you have abandoned fiscal responsibility and your way is not working. America has had enough. I have had enough. Each Member of Congress has a certain piece of these cuts that they hate the most, whether it be child support or Medicaid or food stamps. But ladies and gentlemen, for me it is personal. This bill includes several provisions that will reduce foster care assistance and services. This bill cuts foster care-related funding by $600 million a year. Our Federal budget is nearly $1 trillion a year.

Ladies and gentlemen on that side of the aisle, are you serious in telling me that you cannot find any budget cuts that do not affect abandoned children? Are you telling me that you cannot find anyplace to pay for your tax cuts that does not affect abandoned and abused and neglected children?

Ladies and gentlemen, I have two children that I adopted out of foster care. When I told them about these cuts, they told me, ''Daddy, don't let them do it.'' Ladies and gentlemen, they told me, ''Daddy, don't let them do it.''

This is not the right place to cut, ladies and gentlemen. You have not consulted with us. This is not the right package. You need to change the way and the direction that you are going.

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

The Blue Dogs are stuck in the dog box of their leadership. They need to get off of the porch and bring a plan to the table. The chairman of the Budget Committee testified before the Rules Committee, asking that a substitute be made in order. The 12-step plan was still stuck someplace else. The Blue Dogs were still on the porch. The Blue Dogs were still locked in the box. They did not come forward with an opportunity to present their own plan.

They are free to criticize ours. We are big boys and girls. We are going to stand by this plan, and we are going to move it forward because it is important that we back up what their rhetoric is, which is that mandatory and entitlement spending is eating up this budget and somebody has got to do something about it besides just bark.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. CONAWAY).

Mr. CONAWAY. Mr. Speaker, I appreciate the gentleman for yielding me this time tonight.

I have spent 30-plus years as a CPA, professional background. I know a little bit about budgets, and we work them from two sides. One is the revenue side; the other is the spending side. Tonight we are talking about spending. To put the spending in perspective, it is a 5-year plan that reduces that spending by some $50 billion, which is a lot of money under any circumstance. But spending over that 5-year period in mandatory spending will be $8.5 trillion. If we do the math, that is not quite a rounding error. It is just a little bit more than a rounding error in the overall spending. So what we are hearing in the rhetoric on the other side is that America is on a razor-thin edge of disaster, a ½ percent razor-thin edge in mandatory spending.

Yesterday's USA Today showed what spending will be like in 2050, a time when my children and grandchildren will be trying to bear this burden that we are currently after. Albert Einstein said the most powerful thing in the universe is compound interest, and that is great if you have got a savings account that you are adding to periodically and you are rolling that interest in there. But compound interest on the spending side is a disaster of biblical proportions. We will see in 2050 what compound spending growth will do.

What we are doing tonight with this original first step, modest first step, is to try to rein in the growth of Federal spending. It is not cuts, as my good colleague from Florida has said. It is simply a reduction in the growth of spending. Everybody can spend it any way that they want to.

I would ask that we keep our comments tonight in a manner that behooves this body that we stick with the facts and that we be responsible for things we say here tonight. It is important. This is an important debate.

Families cannot operate at a deficit. Small businesses certainly cannot. My clients certainly could not. About the only entity that can is the Federal Government. And because the Federal Government can operate at a deficit does not mean that it should operate at a deficit.

So I urge my colleagues to vote in favor of this rule and this bill.

Ms. SLAUGHTER. Mr. Speaker, I yield 3 minutes to the gentleman from Arkansas (Mr. BERRY).

Mr. BERRY. Mr. Speaker, I thank the gentlewoman from New York for her leadership.

I am absolutely amazed at you boys over there. I wonder what you are going to be when you grow up. For you to come to this floor and attack the Blue Dogs on fiscal responsibility demonstrates an unparalleled display of ignorance, stupidity, or just down-hard foolishness. I do not know which.

□ 2145

You stand there and say we are increasing spending, but we are cutting spending. I do not know whether you cannot add or subtract. I do not know

what your problem is. But I can tell you this, and you can be cute, you can be smart, and you may even pull this off, son, but I tell you one thing, you are young enough, you are going to have to live with it. You are putting a tax on the next generation that they cannot pay and they cannot repeal it, and you are going to have to live with it.

Do not ask for my time because I will not yield.

I can tell you this: you are going to suffer the consequences just like everybody else in the next generation and those to come thereafter. And I cannot believe that you have the audacity to come to this floor with this assault on women and children and try to portray it, as this other Howdy Doody-looking nimrod said, that he wanted to talk about family values and values. That is unprecedented in this House.

I have the time, Mr. Speaker.

Mr. DREIER. Mr. Speaker, will the gentleman yield for a parliamentary inquiry?

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

PARLIAMENTARY INQUIRY

Mr. DREIER. Mr. Speaker, I would like to inquire of the Chair, is it appropriate for Members of this House to address the Chair or address their remarks to other Members?

Mr. BERRY. Mr. Speaker, I do believe that the Blue Dogs were referred to.

The SPEAKER pro tempore (Mr. LAHOOD). The Chair advises all Members that they should address their remarks to the Chair.

Mr. BERRY. Mr. Speaker, as I do proceed, let me continue to tell you, if you cannot take it, go home. Do not do this to our children and grandchildren. You cannot take it, you are not man enough to pass these rules and pass these laws and build this dam on our children and grandchildren until they cannot carry it any longer.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind all Members that remarks should be addressed to the Chair.

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

Mr. Speaker, my apologies for besmirching the reputation of the Blue Dogs. It is clear that their bark is still in place, though their bite is lacking.

Mr. Speaker, that was quite a performance, and I respect the gentleman's passion; but I do not respect the fact that he chose to personalize the debate, an important debate about the future of our Nation. I do not like the way that he characterized me; I do not like the way that he characterized the gentleman from Texas. It seems to me that the sensitivities about the reputation of the Blue Dogs is where the thin skin really lies.

Mr. Speaker, this budget is about the future and this organization has created the impression over a number of years of fiscal responsibility; and yet time after time after time when given the opportunity to truly do something about it, they just fade away. They just go back to the porch. Instead of taking the tough votes, instead of bringing real reform and making government work better so future generations of men and women and businesses and children and all aspects, instead of guaranteeing a bright future for all Americans, they just choose to talk about it.

The gentleman is right when he said that our younger generation is going to be most impacted by these fiscal decisions. They are. That is why we are here today to try to do something about it. They are here today to just talk about it. Where is their plan to rein in the overarching growth of Federal spending? What are they going to do about the fact that entitlement spending takes up over half of the budget and will soon take up two-thirds? Where was their plan about what they were going to do for these same women and children, as if the country was only made up of women and children, that benefit from these programs, what about all Americans? What were you going to do about this generation and future generations' retirement security? The same thing you were going to do about this, just talk about it, but not actually take the tough votes to do anything about securing their future.

Mr. Speaker, I am pleased to yield 2 minutes to the gentleman from Indiana (Mr. CHOCOLA).

Mr. CHOCOLA. Mr. Speaker, I think there is one thing we can all agree on tonight, and that is the deficit is too big. But the question is what are we going to do about it. There are only two ways we have a deficit, Mr. Speaker. Either we spend too much, or we tax too little.

I know that the people of the Second District of Indiana do not feel like they are taxed too little, and I do not think that they are a whole lot different from the rest of Americans. The fact is we spend enough money around here. What we do not do is prioritize.

We have heard and will continue to hear a whole lot of rhetoric that we are slashing spending.

Mr. Speaker, the truth is we are not cutting spending at all. Today we are simply slowing the future growth of government. The truth is that Medicare spending will grow next year. Food stamp spending will grow next year. Student financial aid will grow next year. Now, I understand that only in Washington smaller increases are considered cuts; but even by Washington standards, our efforts today are modest.

When you cut through all of the rhetoric, what we are doing tonight is slowing the growth of government over the next 5 years from 6.4 percent to 6.3 percent. That is one-tenth of one percent. That is equivalent to a family making $50,000 a year finding savings of $50 a year. Anyone who says we cannot find savings of one-tenth of 1 percent has no serious interest in making government more efficient, has no ideas other than to raise taxes on the economy and American families, and they only want to use how much we spend rather than how well we spend as a measurement of success.

Mr. Speaker, the American people understand that spending money is easy and managing money is hard. Anyone serious about reducing the deficit by returning to fiscal sanity and starting to make government more self-sufficient will support this rule and support this bill. I encourage all of my colleagues to do so.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. SCOTT).

Mr. SCOTT of Georgia. Mr. Speaker, I cannot begin to tell my Republican friends how disappointed I am, and I want to speak to why you are seeing so much passion on this floor tonight from Democrats, and especially from Blue Dog Democrats, of which I am a proud member. I am going into my fourth year here, and every year it has been the Blue Dog Democrats, not the Republicans, who have been at the forefront of trying to rein in deficit spending. It has been Blue Dogs who have been at the forefront to put forward pay-as-you-go.

You say we do not have a plan. We have a 12-point plan. We have tried to institute pay-as-you-go principles from day one. We have begged, we have pleaded with the President of the United States to meet with us to make sure that we rein in the deficit. So when you see Blue Dogs coming down here mad as hell, you have to understand that the reason we are mad is because we are not going to stand idly by and see the hypocrisy of a party that squandered billions and billions of dollars in surplus in the last 4 years and then come down here and say you are leading the fight to cut deficits, when you have done more than any President, any party in modern times to add to the deficit. And then the worst thing you want to do is to squeeze in a tax cut of $70 billion and then to do it on the backs of those that can least afford it.

Mr. PUTNAM. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana (Mr. PENCE).

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

Mr. PENCE. Mr. Speaker, back in Indiana when a tree falls on your house, first you tend to the wounded; then you start to clean up; then you sit down and figure out how you are going to pay for it.

Well, tonight, thanks to the leadership of Speaker HASTERT, in the aftermath of having spent over $60 billion in 6 days to meet the real needs of the families and communities affected by Hurricane Katrina, tonight Congress is going to figure out how to pay for it.

In the Deficit Reduction Act, Congress will achieve more than $50 billion

in savings over the next 5 years to offset the extraordinary cost of Hurricane Katrina. While this is an important first step in restoring fiscal discipline, there is still work to be done. As has been said by my colleagues in the Democratic Party tonight, with an $8 trillion national debt, with more spending on hurricane relief just around the corner, it is imperative that we not only pass the Deficit Reduction Act but that we move immediately on to the other serious work, to look for an across-the-board cut in this year's budget, ensuring that the cost of Hurricane Katrina will be borne by the entirety of our Federal priorities.

We must do more, but we dare not do less. Tonight we will do that which is of first importance: we will begin the process of putting our fiscal house in order. President John F. Kennedy said it best when he said: ''To lead is to choose.'' And this is such a moment.

Tonight, whatever the outcome of this vote, this is a moment of truth, where we will set aside the rhetoric on this blue and gold carpet, and the American people will see for themselves who in this Congress is willing to make the tough choices in tough times to put our fiscal house in order. Bring the vote, and I urge my colleagues of goodwill on both sides of the aisle to adopt the Deficit Reduction Act.

Ms. SLAUGHTER. Mr. Speaker, I yield 2 minutes to the gentlewoman from Illinois (Ms. BEAN).

Ms. BEAN. Mr. Speaker, I rise today in opposition to the rule. One of the reasons I came to Congress was to bring a real-world business perspective to government. In the business world, accountability is survival. In this Congress, it is a catch phrase usually directed elsewhere.

Demands for personal responsibility or corporate accountability abound, but rarely congressional accountability or fiscal restraint. Instead of sticking to the motto, If it is worth doing, it is worth paying for, this administration and this Congress have turned the largest budget surplus in history into the largest deficit in history with a reckless borrow-and-spend profligacy. It should be no surprise then that today's so-called Deficit Reduction Act of 2005 actually increases the budget deficit, fails to fix the broken budget process, and does nothing to reduce America's dependence on foreign capital.

□ 2200

I will oppose this irresponsible budget package which does not include pay go spending controls. We must pay as we go. It is a simple concept with a proven track record. The budget enforcement rules of the 1990s were an important part of getting the budget back into balance. The pay-as-you-go rules were tested and they worked. Accountability in government should be more than a catch phrase. It is time for us to say the buck stops here.

Mr. PUTNAM. Mr. Speaker, I yield 1½ minutes to the gentleman from Georgia (Mr. KINGSTON).

Mr. KINGSTON. Mr. Speaker, I want to show you a picture of a place I think all of us know. It is Disneyland, the Magic Kingdom, the Magic Castle where fantasy is real. And we go down and we all pretend to be boys and girls for the day.

Well, here is another place where fantasy becomes reality. It is our office building, the United States Capitol. Only here can you call a 7 percent increase a cut. And what are the lap dogs, I mean, the blue dogs barking about? What I am saying is, when you increase the budget 7 percent——

POINT OF ORDER

Mr. ROSS. Mr. Speaker, I make a point of order.

The SPEAKER pro tempore (Mr. LAHOOD). The gentleman will state his point of order.

Mr. ROSS. Mr. Speaker, does the speaker not have to address you and not a group or an individual?

The SPEAKER pro tempore. The Chair would remind all Members they should address their remarks to the Chair. The gentleman may proceed.

Mr. KINGSTON. My point is that we can all live in the fantasyland of Disneyworld or the United States Capitol, and when a bill that is increasing Medicaid goes up $66 billion and people can call it a cut because they did not get their way, that it did not go up 7.3 percent, it only goes up 7 percent. You can find any excuse to vote no, and I guess in the fantasyland of Washington, D.C., you can call that a cut. But the reality is, all these posters and easels that are out in the halls of the Rayburn, the Longworth and the Cannon building are just fantasy. Here is a chance to actually reduce spending and you are barking at it and saying no.

Ms. SLAUGHTER. Mr. Speaker, I yield 3½ minutes to the gentleman from Arkansas (Mr. ROSS) to address the fantasyland of this Mickey Mouse budget.

Mr. ROSS. Mr. Speaker, this evening we are here to consider a bill known as the Deficit Reduction Act. And only here in a Republican-led Congress could something be called a deficit reduction act that adds $20 billion in new debt to this Nation's budget. Not only does it add $20 billion in new debt, but it also has nothing to do with paying for disaster relief. It is about cutting programs that matter to our children, our working families and our seniors to the tune of $50 billion. It is about approving $70 billion in new tax cuts. I was not real good in math back in high school, but I think anybody can figure that one out. $50 billion in cuts, $70 billion in new tax cuts equals $20 billion in new debt. And what is being cut? Student aid, $14.3 billion. As the father of a 17-year-old that is approaching college, like so many parents across this country, I am concerned about being able to pay for my child's college education. Parents all over this country tonight are concerned that the Republican leadership are proposing $14 billion in cuts for their children's college education. Medicaid, the health insurance program for the poor, the disabled, the elderly being cut by $11.4 billion.

Mr. Speaker, let me tell you about my America. In Arkansas, half the children are on Medicaid. In Arkansas, 8 out of every 10 seniors in nursing homes are on Medicaid. In Arkansas, one out of every five people are on Medicaid, and this Republican-led Congress, tonight, plans to cut Medicaid $11.4 billion. And if that is not enough, they are going to cut agriculture programs $3 billion. My farm families back home in East Arkansas cannot afford these kind of cuts as they simply try to do what they do best, and that is provide a safe and reliable source of food and fiber for America's families.

You know, as this debate unfolded tonight, as I was sitting here, I could not help but think about Matthew, chapter 25, verse 40. ''I tell you the truth. Whatever you did for one of the least of these brothers of mine, you did for me.'' That is what I learned growing up in a little country church just outside of Hope, Arkansas, Midway United Methodist Church.

Eight trillion dollars is the Nation's debt under this Republican-led Congress, the largest deficit ever in our Nation's history for a fifth year in a row. In fact, this Republican President and this Republican Congress has borrowed more money from foreign investors and foreign banks in less than 5 years than the previous 42 presidents combined. It is hard now to believe that we had a balanced budget from 1998 to 2001. Contrast that to today, when we are borrowing $907 million a day, sending $188 million a day to Iraq, $33 million a day to Afghanistan. This plan does not reflect America's values. This plan does not reflect my values. Vote no on this and vote yes to the Blue Dog 12-point plan which none of these Members are cosponsoring.

Mr. PUTNAM. Mr. Speaker, I have not memorized all of Matthew, but I am pretty sure he did not like calling kids Nimrods. I yield 1 minute to the gentleman from Colorado (Mr. BEAUPREZ).

Mr. BEAUPREZ. Mr. Speaker, actually I am going to come to the well of this House tonight to celebrate, not besmirch the gentleman's youth nor certainly his wisdom. The gentleman from Florida and the gentleman from Texas, it is you, of anybody in this Chamber tonight, it is you and the millions of your generation that you represent in this Chamber, in this people's House that we ought to be concerned about. You are the ones that should be passionate because you are going to get stuck with the bill.

I thank both the gentlemen. And there has been a lot of heated rhetoric in here tonight. Let us talk at least a shred of truth. What this bill does is suggest that for a person to be Medicaid eligible has to have less than 3

quarters of $1 million of net worth. Now, is that harsh folks? Let us get real. Who out there in the real world believes that that is overly harsh, that to be on a welfare program, to be nursing home eligible, you have to have less than 3 quarters of $1 million worth of net worth? Not the world that I came from.

Ms. SLAUGHTER. Mr. Speaker, I yield 4 minutes to the gentleman from Tennessee (Mr. TANNER), the head of the Blue Dogs.

Mr. TANNER. Mr. Speaker, I guess that there is enough hot air that comes from this place to float any balloon, and I wish I was making up what I am about to say. But if you go to the www.publicdebt.treas.gov, you will find the things that I am about to say are there on the government Web site from the United States Treasury. The record is simply this. In 2002, this Congress raised the debt ceiling by $450 billion. In 2003, by $984 billion. In 2004, by $800 billion, and in this budget reconciliation process, there is another $781 billion of debt increase, amounting to $3.01 trillion, all of which is done in the last 4 years.

Now, I speak tonight as an American. We only have one dollar. We only have one Treasury. And for either party to claim some sort of mantle of financial responsibility here is absolutely ridiculous. No American political leadership in the history of this country has borrowed as much money as quickly as this Congress and this administration in the last 4 years. This is not an argument. This is fact. Go to www.publicdebt.treas.gov if you do not believe me. And what this means to us as Americans is in 2000, we had $50 billion a year out of the tax base that was available for education, for health care, for veterans. It is not available now because it is going to interest. I say what has happened is we, the Congress, and the administration, or you, the Congress and the administration, have levied a $500 billion plus tax increase on the American citizens over the next 10 years in the form of interest payments that you, in the majority, have built up over the last 4 years. That is not an argument. Go to www.treas.gov. That is a fact. Now, you might not want to admit it, but that is what has happened.

Now, if that is not bad enough, 85 percent of this money that has been loaned to us and we have borrowed in the name of every man, woman and child that is a United States citizen, 85 percent of it has come from people that are not U.S. citizens. It is so bad right now that if China attacked Taiwan we would have to borrow the money from China to defend Taiwan. What kind of sense does this make?

I am telling you, the Treasury reports that they are going to borrow $171 billion this quarter, the first quarter of 2006. And you come here with a reconciliation process that you say is cutting and then you turn around and stand up and say how much is being increased. I do not know which one it is, but I know that at the end of the day, this reconciliation process increases the deficit, not decreases it. And the American people want one thing, and I do not care whether it is Democrat or Republican, they want a government that works for them, not against them, and they want a government that does not enslave them in debt. What has happened here over the last 4 years is unprecedented. The amount of money that has been borrowed in our name by basically you, the majority, and the White House. It is not an argument. This is a fact. It is absolutely sickening. We are now, February 9, I want the American people to understand, February 9 are bringing back the 30-year bond. We have to because we owe so much money to primarily now foreigners.

Mr. PUTNAM. Mr. Speaker, I yield 1 minute to the gentlewoman from Tennessee (Mrs. BLACKBURN).

Mrs. BLACKBURN. Mr. Speaker, we were down here on the floor talking about this bill one night. I got an e-mail from a gentleman out in California, identified himself as a liberal Democrat. And he said, your House speech got it right. Programs started with the best of intentions will eventually outlive their usefulness, but their built-in bureaucracies have political champions that will not let these programs die ever.

Mr. Speaker, that is exactly what we are seeing. We have before us a deficit reduction plan that would put us on a track to reforming government and yielding a savings. It is a good solid plan. It is a good solid start. Unfortunately, our friends across the aisle do not get it. Ronald Reagan had it right. There is nothing so close to eternal life on earth as a Federal Government program. And the reason that is true is because these folks built a bureaucracy to themselves out of 40 years of Democrat control and they have had a choice and they have chosen to support the bureaucracy. They have chosen not to reduce those programs even when Democrat governors of our own State in Tennessee say the Medicaid programs have to be reformed. They choose not to support those.

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

Mr. PUTNAM. Mr. Speaker, I am pleased to yield 1 minute to the gentleman from Pennsylvania (Mr. MURPHY).

□ 2215

Mr. MURPHY. I thank my distinguished colleague for yielding.

Mr. Speaker, some people want to scare others that this budget cuts services for needy Americans. Medicaid is one of those areas where facts are distorted. This bill increases Medicaid spending by $9.7 billion the first year alone. It continues to increase Medicaid benefits for people who need them. Savings come from reducing Medicaid fraud like New York where there is $18 billion in fraud. It prevents wealthy families with more than $750,000 in home equity from earning Medicaid benefits they don't need. We incorporated many of the changes that the National Governors Association has asked for with unprecedented flexibility.

We have to keep the Medicaid system from driving itself into fiscal oblivion. There is nothing compassionate about playing politics with people's hearts. We want to be sure that the Medicaid system is here for people today and tomorrow. That is why we need to give the Governors the flexibility they ask for in this bill.

Ms. SLAUGHTER. Mr. Speaker, I yield 30 seconds to the gentleman from Washington (Mr. BAIRD).

Mr. BAIRD. Mr. Speaker, earlier the gentleman from Indiana said that budgets are about choices. Unfortunately, here is what they mean when they say choices. They are asking the wealthiest Americans to choose between realizing their investment profits through dividends or capital gains while they are asking the poorest Americans to choose between health care or heating their home. That is the kind of choice that is being imposed by this budget. That is not a profile in courage. It is a profile in cowardice.

Mr. PUTNAM. Mr. Speaker, I yield 1 minute to the distinguished chairman of the Rules Committee the gentleman from California (Mr. DREIER).

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

Mr. DREIER. Mr. Speaker, we have listened to Democrats and Republicans decry deficit spending. We have listened to Democrats and Republicans talk about the need to bring about reform so that we can ensure that those who are truly in need are able to have those needs addressed. No one in this institution wants to pull the rug out from anyone who is desperately in need. We know that the most effective way to ensure that those needs are met is to do what everyone knows has to be done. We have to bring about meaningful reform. Anyone who will stand in this Chamber and claim that the Medicaid program is free of any kind of abuse, that the food stamp program is free of any kind of abuse, that everything that we are looking at in this budget reconciliation bill is free of any kind of abuse does not understand the operations of the Federal Government.

We know that these programs are filled with that kind of abuse and it is absolutely essential that we bring about this reform. Democrats and Republicans alike, Mr. Speaker, have the opportunity to bring about reforms to ensure that those who are truly in need have those needs met.

Ms. SLAUGHTER. Mr. Speaker, I yield the balance of my time to the gentleman from Mississippi (Mr. TAYLOR) who lost everything in Katrina.

Mr. TAYLOR of Mississippi. Mr. Speaker, in south Mississippi tonight,

the people who have electricity, who might be at a VFW hall or a parish church hall, who are living in two- and three-man igloo tents waiting for Congress to do something, have absolutely got to think this place has lost their minds. The same Congress that voted to give the wealthiest 1 percent of Americans tax breaks every time. Every time. Without a tax break. Out of the goodness of their hearts, no? To help their big contributors.

Who is kidding who? The same America that are spending 4 to $6 billion a month in Iraq where, by the way, 4,000 Mississippians are fighting tonight, 15 have already come home dead, a dozen more have been to Walter Reed, who never asked the Iraqis for an offset are suddenly saying in the name of the poor folks in Mississippi who lost their houses, poor folks in New Orleans whose houses were flooded, we can't do this unless we have to hurt some other Americans to help some Americans? Suddenly after taking care of those who had the most, we have got to hurt the least. To help the folks in Mississippi?

Folks, this is insane. I have sat here. I remember the vote. May 9, 2001. I remember a President who said he could cut taxes, increase spending and pay down the debt. We are $2.4 trillion deeper in debt than that night. I did not vote for that. Almost all of you did. I did not vote to tell the folks who make hundreds of millions of dollars a year, you deserve a tax break. You did. I voted for offsets for the war in Iraq because, yes, we went to war. My goodness, kids from Mississippi are dying there. I have got a kid who lost both legs volunteering in my office to answer the phone to help folks who were hurt in Katrina. Mississippi has paid their dues. Why should they have to pay their dues twice?

This is an emergency. The one time you borrow money is when you go to war and for an emergency. And so, now you have to have an offset? Don't tell me you are being fiscally responsible. I sat here for 5 years and watched you take a budget surplus and run it into $2.5 trillion of new debt. So let's put these things in perspective. Yes, I was told the Iraqis have weapons of mass destruction and they are getting ready to use them.

Yes, I was told that you could cut taxes, increase spending and balance the budget. But this is the cruelest lie of all, that the only way you can help the people who have lost everything is by hurting somebody else.

Mr. PUTNAM. Mr. Speaker, America's heart and America's wallets have been opened for those who have been so devastated on the gulf coast just as they were a year ago for those Floridians who suffered four storms. It is a tragic thing and we are very sorry for the loss and the continued suffering that goes on. There have been a number of things discussed this evening as part of the kickoff of this debate about being truly serious about reducing the size of our deficit.

I began by talking about the myths. All around America, the people who would be discussing what is going on here would have to find that something is odd about a budget that goes up 7 percent every year but is labeled a cut. They would find it an interesting juxtaposition that the only thing mean and ugly about what is going on in here has been the rhetoric. The action is to eliminate the waste from all of these areas, including FEMA. Including those areas.

Mr. Speaker, I strongly urge this House to support the rule and the underlying bill.

AMENDMENT OFFERED BY MR. PUTNAM

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

The Clerk read as follows:

Amendment offered by Mr. PUTNAM of Florida:

Add at the end the following:

SEC. 4. Notwithstanding any other provision of this resolution, the amendment considered as adopted under the first section of this resolution shall be modified as specified in section 5.

SEC. 5. The modification referred to in section 4 is as follows:

Page 13, strike lines 5 through 11, and insert the following:

''(a) ELIGIBLE HOUSEHOLDS.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended—

''(1) in section 5——

''(A) in the 2d sentence of subsection (a); and

''(B) in subsection (j);

by striking 'receives benefits' each place it appears and inserting 'in fiscal years 2006 through 2010 receives cash assistance, and in any other fiscal year receives benefits,';

''(2) in section 5(a) by adding at the end the following:

'Notwithstanding any other provisions of this Act except sections 6(b), 6(d)(2), and 6(g) and section 3(i)(4), households in which each member receives substantial and ongoing noncash benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) provided for purposes of shelter, utilities, child care, health care, transportation, or job training, and that have a monthly income that does not exceed (before the exclusions and deductions provided for in subsections (d) and (e)) 150 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), for the forty-eight contiguous States and the District of Columbia, Alaska, Hawaii, the Virgin Islands of the United States, and Guam, respectively, shall be eligible to participate in the food stamp program.'; and

''(3) in section 5(j) by adding at the end the following:

'Notwithstanding subsections (a) through (i), a State agency shall consider a member of a household in which each household member receives substantial and ongoing noncash benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) provided for purposes of shelter, utilities, child care, health care, transportation, or job training, and which has a monthly income that does not exceed (before the exclusions and deductions provided for in subsections (d) and (e)) 150 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), for the forty-eight contiguous States and the District of Columbia, Alaska, Hawaii, the Virgin Islands of the United States, and Guam, respectively, to have satisfied the resource limitations prescribed under subsection (g).'.''

Page 331, at the end of line 13, add the following: ''Such method shall provide that not less than 25 percent of such funds shall be allocated among States the population of which (as determined according to data collected by the United States Census Bureau) as of July 1, 2004, was more than 105 percent of the population of the respective State (as so determined) as of April 1, 2000.''.

Mr. PUTNAM. Mr. Speaker, the amendment addresses two issues, food stamps and Medicaid transformation grants. On the issue of food stamps, it ensures that recipients of noncash TANF benefits will continue to be categorically eligible for food stamps and it addresses high growth States with regard to Medicaid transformation.

Ms. PRYCE of Ohio. Mr. Speaker, I rise in support of the rule and in support of the Deficit Reduction Act. The legislation we have before us is built on the simple notions of reforming government and achieving savings.

If ever there was a vote in recent history that defines the difference in the two parties—this is it.

We are the party of reform, the party of a more efficient government—the other party is one of more government, more spending, and more taxes.

The Democrats have tried to use catchy rhetoric to describe what we are voting on today. They don't want to talk about the facts.

The front page of last Tuesday's Roll Call said it all . . . ''This fall is not the time for Democrats to roll out a positive agenda,'' said a House Democratic aide.

Instead of a positive agenda, they have resorted to using words like ''cuts'' and ''slashing programs,'' and called this important plan ''rotten to the core.''

But once you peal back the rhetoric and look at what is in this legislation, you realize why they only have cute slogans.

They don't want to talk about reforms that will save and strengthen Medicaid.

Reforms largely taken from proposals offered by the bipartisan National Governor's Association that was led by Democratic Governor Mark Warner.

They don't want to talk about supporting first responders by giving them bandwidth they so desperately need.

They don't want to talk about a 50 percent increase in LIHEAP.

They don't want to talk about ensuring that benefits paid for by taxpayers don't go to illegal immigrants.

And of course they don't want to talk about lowering the cost of student loans.

I could go on and on—but in the end, this legislation delivers common sense reforms that will achieve real savings and reduce the deficit.

What about that, Mr. Speaker, is rotten to the core?

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

The previous question was ordered.

The SPEAKER pro tempore (Mr. LAHOOD). The question is on the amendment offered by the gentleman from Florida (Mr. PUTNAM).

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the resolution, as amended.

The resolution, as amended, was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. PUTNAM. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on H. Res. 560.

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

There was no objection.

DEFICIT REDUCTION ACT OF 2005

Mr. NUSSLE. Mr. Speaker, pursuant to House Resolution 560, I ask call up the bill (H.R. 4241) to provide for reconciliation pursuant to section 201(a) of the concurrent resolution on the budget for fiscal year 2006, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore. Pursuant to House Resolution 560, the bill is considered read and the amendment printed in House Report 109–303, as modified, is adopted.

The text of the bill, as amended, is as follows:

H.R. 4241

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 ''Deficit Reduction Act of 2005''.

SEC. 2. TABLE OF TITLES.

The table of titles is as follows:

TITLE I—COMMITTEE ON AGRICULTURE

TITLE II—COMMITTEE ON EDUCATION AND THE WORKFORCE

TITLE III—COMMITTEE ON ENERGY AND COMMERCE

TITLE IV—COMMITTEE ON FINANCIAL SERVICES

TITLE V—COMMITTEE ON THE JUDICIARY

TITLE VI—COMMITTEE ON RESOURCES

TITLE VII—COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

TITLE VIII—COMMITTEE ON WAYS AND MEANS

TITLE I—COMMITTEE ON AGRICULTURE

SECTION 1001. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the ''Agricultural Reconciliation Act of 2005''.

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

Sec. 1001. Short title; table of contents.

Subtitle A—Commodity Programs

Sec. 1101. Percentage reduction in amount of direct payments for covered commodities and peanuts.

Sec. 1102. Reduction in percentage of direct payment amount authorized to be paid in advance.

Sec. 1103. Cotton competitiveness provisions.

Subtitle B—Conservation

Sec. 1201. Limitations on use of Commodity Credit Corporation funds to carry out watershed rehabilitation program.

Sec. 1202. Conservation security program.

Sec. 1203. Limitations on use of Commodity Credit Corporation funds to carry out agricultural management assistance program.

Subtitle C—Energy

Sec. 1301. Termination of use of Commodity Credit Corporation funds to carry out renewable energy systems and energy efficiency improvements program.

Subtitle D—Rural Development

Sec. 1401. Enhanced access to broadband telecommunications services in rural areas.

Sec. 1402. Value-added agricultural product market development grants.

Sec. 1403. Rural business investment program.

Sec. 1404. Rural business strategic investment grants.

Sec. 1405. Rural firefighters and emergency personnel grants.

Subtitle E—Research

Sec. 1501. Initiative for Future Food and Agriculture Systems.

Subtitle F—Nutrition

Sec. 1601. Eligible households.

Sec. 1602. Availability of commodities for the emergency food assistance program.

Sec. 1603. Residency requirement.

Sec. 1604. Disaster food stamp program.

Subtitle A—Commodity Programs

SEC. 1101. PERCENTAGE REDUCTION IN AMOUNT OF DIRECT PAYMENTS FOR COVERED COMMODITIES AND PEANUTS.

(a) COVERED COMMODITIES.—Section 1103 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7913) is amended—

(1) in subsection (c), by striking ''The amount'' and inserting ''Except as provided in subsection (e), the amount''; and

(2) by adding at the end the following new subsection:

''(e) DIRECT PAYMENT AMOUNT REDUCTION.—Notwithstanding subsection (c), for the 2006 and 2007 crop years (and the 2008 and 2009 crop years if direct payments are provided under this section for those crop years), the Secretary shall reduce the total amount of the direct payment to be paid to the producers on a farm for a covered commodity for the crop year concerned by an amount equal to 1 percent of the direct payment amount otherwise determined for that farm for that covered commodity for that crop year. No reduction shall be made under the authority of this subsection if direct payments are made for the 2010 or any subsequent crop year of a covered commodity.''.

(b) PEANUTS.—Section 1303 of such Act (7 U.S.C. 7953) is amended—

(1) in subsection (d), by striking ''The amount'' and inserting ''Except as provided in subsection (f), the amount''; and

(2) by adding at the end the following new subsection:

''(f) DIRECT PAYMENT AMOUNT REDUCTION.—Notwithstanding subsection (d), for the 2006 and 2007 crops of peanuts (and the 2008 and 2009 crops of peanuts if direct payments are provided under this section for those crops), the Secretary shall reduce the total amount of the direct payment to be paid to the producers on a farm for that crop of peanuts by an amount equal to 1 percent of the direct payment amount otherwise determined for that farm for that crop of peanuts. No reduction shall be made under the authority of this subsection if direct payments are made for the 2010 or any subsequent crop of peanuts.''.

SEC. 1102. REDUCTION IN PERCENTAGE OF DIRECT PAYMENT AMOUNT AUTHORIZED TO BE PAID IN ADVANCE.

(a) COVERED COMMODITIES.—Section 1103(d)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7913(d)(2)) is amended in the first sentence by striking ''2007 crop years'' and inserting ''2005 crop years and up to 40 percent of the direct payment for a covered commodity for each of the 2006 and 2007 crop years''.

(b) PEANUTS.—Section 1303(e)(2) of such Act (7 U.S.C. 7953(e)(2)) is amended in the first sentence by striking ''2007 crop years'' and inserting ''2005 crop years and up to 40 percent of the direct payment for each of the 2006 and 2007 crop years''.

SEC. 1103. COTTON COMPETITIVENESS PROVISIONS.

(a) REPEAL OF AUTHORITY TO ISSUE COTTON USER MARKETING CERTIFICATES.—Section 1207 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7937) is amended—

(1) by striking the section heading and inserting the following: ''**UPLAND COTTON IMPORT QUOTAS.**'';

(2) by striking subsection (a);

(3) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively;

(4) in subsection (a), as so redesignated—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking '', adjusted for the value of any certificate issued under subsection (a),''; and

(ii) in subparagraph (C), by striking '', for the value of any certificates issued under subsection (a)''; and

(B) in paragraph (4), by striking ''subsection (c)'' and inserting ''subsection (b)''; and

(5) in subsection (b)(2), as so redesignated, by striking ''subsection (b)'' and inserting ''subsection (a)''.

(b) CONFORMING AMENDMENT.—Section 136 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7236) is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on August 1, 2006.

Subtitle B—Conservation

SEC. 1201. LIMITATIONS ON USE OF COMMODITY CREDIT CORPORATION FUNDS TO CARRY OUT WATERSHED REHABILITATION PROGRAM.

(a) FISCAL YEAR 2007 FUNDING.—Subparagraph (E) of section 14(h)(1) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)(1)) is amended by striking ''$65,000,000'' and inserting ''$50,000,000''.

(b) TERMINATION OF MULTI-YEAR AVAILABILITY OF FUNDS.—Such section is further amended by striking '', to remain available until expended'' in the matter preceding subparagraph (A).

(c) RESCISSION OF UNOBLIGATED PRIOR-YEAR FUNDS.—Funds previously made available under such section for a fiscal year and unobligated as of September 30, 2006, are hereby rescinded effective on that date.

SEC. 1202. CONSERVATION SECURITY PROGRAM.

(a) FUNDING.—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended—

(1) in the matter before paragraph (1), by striking ''For'' and inserting ''Except as otherwise provided in this subsection, for''; and

(2) in paragraph (3), by striking ''not more than $6,037,000,000'' and all that follows through ''2014.'' and inserting the following: ''not more than—

''(A) $2,213,000,000 for the period of fiscal years 2006 through 2010; and

''(B) $5,729,000,000 for the period of fiscal years 2006 through 2015.''.

(b) DURATION.—Section 1238A(a) of such Act (16 U.S.C. 3838a(a)) is amended by striking ''2007'' and inserting ''2011''.

SEC. 1203. LIMITATIONS ON USE OF COMMODITY CREDIT CORPORATION FUNDS TO CARRY OUT AGRICULTURAL MANAGEMENT ASSISTANCE PROGRAM.

Section 524(b)(4)(B) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)(4)(B)) is amended—

(1) in clause (i), by inserting before the period at the end the following: '', except fiscal years 2007 through 2010''; and

(2) in clauses (ii) and (iii), by striking ''2007'' both places it appears and inserting ''2006''.

Subtitle C—Energy

SEC. 1301. TERMINATION OF USE OF COMMODITY CREDIT CORPORATION FUNDS TO CARRY OUT RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY IMPROVEMENTS PROGRAM.

Section 9006(f) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8106(f)) is amended by striking ''2007'' and inserting ''2006''.

Subtitle D—Rural Development

SEC. 1401. ENHANCED ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.

(a) TERMINATION OF FISCAL YEAR 2007 FUNDING.—Subparagraph (B) of section 601(j)(1) of the Rural Electrification Act of 1936 (7 U.S.C. 950bb(j)(1)) is amended by striking ''for each of fiscal years 2006 and 2007'' and inserting ''for fiscal year 2006''.

(b) TERMINATION OF MULTI-YEAR AVAILABILITY OF FUNDS.—Such section is further amended by striking '', to remain available until expended'' both places it appears.

(c) RESCISSION OF UNOBLIGATED PRIOR-YEAR FUNDS.—Funds previously made available under such section for a fiscal year and unobligated as of September 30, 2006, are hereby rescinded effective on that date.

SEC. 1402. VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.

(a) TERMINATION OF FISCAL YEAR 2007 FUNDING.—Section 231(b)(4) of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 7 U.S.C. 1621 note) is amended by striking ''October 1, 2006'' and inserting ''October 1, 2005''.

(b) TERMINATION OF MULTI-YEAR AVAILABILITY OF FUNDS.—Such section is further amended by striking '', to remain available until expended''.

(c) RESCISSION OF UNOBLIGATED PRIOR-YEAR FUNDS.—Funds previously made available under such section for a fiscal year and unobligated as of September 30, 2006, are hereby rescinded effective on that date.

SEC. 1403. RURAL BUSINESS INVESTMENT PROGRAM.

(a) TERMINATION OF FISCAL YEAR 2007 AND SUBSEQUENT FUNDING.—Subsection (a)(1) of section 384S of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009cc–18) is amended by inserting after ''necessary'' the following: ''through fiscal year 2006''.

(b) TERMINATION OF MULTI-YEAR AVAILABILITY OF FUNDS.—Such section is further amended—

(1) by striking ''(a) IN GENERAL.—''; and

(2) by striking subsection (b).

(c) RESCISSION OF UNOBLIGATED PRIOR-YEAR FUNDS.—Funds previously made available under such section and unobligated as of September 30, 2006, are hereby rescinded effective on that date.

SEC. 1404. RURAL BUSINESS STRATEGIC INVESTMENT GRANTS.

(a) TERMINATION OF MULTI-YEAR AVAILABILITY OF FUNDS.—Subsection (a) of section 385E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009dd–4) is amended by striking '', to remain available until expended,''.

(b) RESCISSION OF UNOBLIGATED PRIOR-YEAR FUNDS.—Funds previously made available under such section and unobligated as of September 30, 2006, are hereby rescinded effective on that date.

SEC. 1405. RURAL FIREFIGHTERS AND EMERGENCY PERSONNEL GRANTS.

(a) TERMINATION OF FISCAL YEAR 2007 FUNDING.—Section 6405(c) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 2655(c)) is amended by striking ''2007'' and inserting ''2006''.

(b) TERMINATION OF MULTI-YEAR AVAILABILITY OF FUNDS.—Such section is further amended by striking '', to remain available until expended''.

(c) RESCISSION OF UNOBLIGATED PRIOR-YEAR FUNDS.—Funds previously made available under such section for a fiscal year and unobligated as of September 30, 2006, are hereby rescinded effective on that date.

Subtitle E—Research

SEC. 1501. INITIATIVE FOR FUTURE FOOD AND AGRICULTURE SYSTEMS.

(a) TERMINATION OF FISCAL YEAR 2007, 2008, AND 2009 TRANSFERS.—Subsection (b)(3)(D) of section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621) is amended by striking ''2006'' and inserting ''2009''.

(b) TERMINATION OF MULTI-YEAR AVAILABILITY OF FISCAL YEAR 2006 FUNDS.—Paragraph (6) of subsection (f) of such section is amended to read as follows:

''(6) AVAILABILITY OF FUNDS.—

''(A) TWO-YEAR AVAILABILITY.—Except as provided in subparagraph (B), funds for grants under this section shall be available to the Secretary for obligation for a 2-year period beginning on the date of the transfer of the funds under subsection (b).

''(B) EXCEPTION FOR FISCAL YEAR 2006 TRANSFER.—In the case of the funds required to be transferred by subsection (b)(3)(C), the funds shall be available to the Secretary for obligation for the 1-year period beginning on October 1, 2005.''.

Subtitle F—Nutrition

SEC. 1601. ELIGIBLE HOUSEHOLDS.

''(a) ELIGIBLE HOUSEHOLDS.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended—

''(1) in section 5——

''(A) in the 2d sentence of subsection (a); and

''(B) in subsection (j);

by striking 'receives benefits' each place it appears and inserting 'in fiscal years 2006 through 2010 receives cash assistance, and in any other fiscal year receives benefits,';

''(2) in section 5(a) by adding at the end the following:

'Notwithstanding any other provisions of this Act except sections 6(b), 6(d)(2), and 6(g) and section 3(i)(4), households in which each member receives substantial and ongoing noncash benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) provided for purposes of shelter, utilities, child care, health care, transportation, or job training, and that have a monthly income that does not exceed (before the exclusions and deductions provided for in subsections (d) and (e)) 150 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), for the forty-eight contiguous States and the District of Columbia, Alaska, Hawaii, the Virgin Islands of the United States, and Guam, respectively, shall be eligible to participate in the food stamp program.'; and

''(3) in section 5(j) by adding at the end the following:

'Notwithstanding subsections (a) through (i), a State agency shall consider a member of a household in which each household member receives substantial and ongoing noncash benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) provided for purposes of shelter, utilities, child care, health care, transportation, or job training, and which has a monthly income that does not exceed (before the exclusions and deductions provided for in subsections (d) and (e)) 150 percent of the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), for the forty-eight contiguous States and the District of Columbia, Alaska, Hawaii, the Virgin Islands of the United States, and Guam, respectively, to have satisfied the resource limitations prescribed under subsection (g).'.''

(b) EXTENSIONS.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended in—

(1) section 11(t)(1);

(2) section 16—

(A) in subparagraphs (A)(vii) and (E)(i) of subsection (h)(1); and

(B) in subparagraphs (A) and(B)(ii) of subsection (k)(3);

(3) section 17(b)(1)(B)(vi);

(4) section 18(a); and

(5) section 19(a)(2)(A)(ii);

by striking ''2007'' each place it appears and inserting ''2011''.

SEC. 1602. AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.

Section 27(a) of the Food Stamp Act of 1977 (7 U.S.C. 2036(a)) is amended—

(1) by striking ''2007,'' and inserting ''2005 and for each of the fiscal years 2007 through 2011'';

(2) by inserting '', and for fiscal year 2006 the Secretary shall purchase $152,000,000,'' before ''of a variety''; and

(3) by adding at the end the following:

''Of the funds used to purchase commodities in accordance with this subsection for fiscal year 2006, $12,000,000 shall be used to purchase commodities for distribution to States that received a Presidential designation of a major disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121–5206) as a result of Hurricane Katrina or Hurricane Rita and States contiguous to those States.''.

SEC. 1603. RESIDENCY REQUIREMENT.

Section 402(a)(2)(L) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(L)) is amended by striking ''5 years or more'' and inserting ''7 years or more effective until September 30, 2010, and for a period of 5 years or more beginning'' and inserting the following:

''for a period—

''(1) effective until September 30, 2010—

''(A) for an alien—

''(i)(I) who is 60 years of age or older;

or

''(II) with respect to whom—

''(aa) an application for naturalization under Immigration and Nationality Act is approved; or

''(bb) such application is pending under such Act and no previous application for naturalization has been rejected under such Act; and

''(ii) who is a member of a household that receives food stamp benefits; as of the date of the enactment of the Agricultural Reconciliation Act of 2005, of 5 years or more; and

''(B) for an alien with respect to whom subparagraph (A) does not apply, of 7 years or more; and

''(2) effective beginning on October 1, 2010, of 5 years or more;

beginning''.

(c) CERTIFICATION FOR SCHOOL LUNCH PROGRAM.—Section 9 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758) is amended—

(1) in subsection (b)(12)—

(A) in subparagraph (A)—

(i) in clause (v), by striking ''; or'' and inserting a semicolon;

(ii) in clause (vi), by striking the period and inserting ''; or''; and

(iii) by adding at the end the following new clause:

''(vii) a member of a household in which each member receives or is eligible to receive non-cash or in-kind benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), and requires participants to have a gross monthly income at or below 200 percent of the Federal poverty level.''; and

(B) in subparagraph (B), by striking ''or assistance'' and inserting '', benefits, or assistance''; and

(2) in subsection (d)(2)—

(A) in subparagraph (D), by striking ''; or'' and inserting a semicolon;

(B) in subparagraph (E), by striking the period and inserting ''; or''; and

(C) by adding at the end the following:

''(F) documentation has been provided to the local educational agency showing that the household is one in which each member receives or is eligible to receive non-cash or in-kind benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), and requires participants to have a gross monthly income at or below 200 percent of the Federal poverty level.''.

SEC. 1604. DISASTER FOOD STAMP PROGRAM.

Notwithstanding section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)), the Secretary of Agriculture is authorized, at the discretion of the Secretary, to pay to State agencies 100 percent of the administrative costs incurred in the certification of, and issuance of benefits to, applicant households that become eligible to receive food stamp benefits under the disaster food stamp program eligibility standards in effect during the Presidentially declared emergency in response to Hurricane Katrina or Hurricane Rita.

TITLE II—COMMITTEE ON EDUCATION AND THE WORKFORCE

SECTION 2000. TABLE OF CONTENTS.

The table of contents of this title is as follows:

TITLE II—COMMITTEE ON EDUCATION AND THE WORKFORCE

Sec. 2000. Table of contents.

Subtitle A—Welfare Reform

PART 1—SHORT TITLE; REFERENCES

Sec. 2001. Short title.
Sec. 2002. References.

PART 2—TANF

Sec. 2011. Universal engagement and family self-sufficiency plan requirements.
Sec. 2012. Work participation requirements.
Sec. 2013. Work-related performance improvement.
Sec. 2014. Report on coordination.
Sec. 2015. Fatherhood program.
Sec. 2016. State option to make TANF programs mandatory partners with one-stop employment training centers.
Sec. 2017. Sense of the Congress.
Sec. 2018. Prohibition on offshoring.

PART 3—CHILD CARE

Sec. 2021. Short title.
Sec. 2022. Goals.
Sec. 2023. Authorization of appropriations.
Sec. 2024. Application and plan.
Sec. 2025. Activities to improve the quality of child care.
Sec. 2026. Reports and audits.
Sec. 2027. Report by Secretary.
Sec. 2028. Definitions.
Sec. 2029. Waiver authority to expand the availability of services under Child Care and Development Block Grant Act of 1990.

PART 4—STATE AND LOCAL FLEXIBILITY

Sec. 2041. Program coordination demonstration projects.

PART 5—EFFECTIVE DATE

Sec. 2051. Effective date.

Subtitle B—Higher Education

Sec. 2101. Short title.

PART 1—AMENDMENTS TO THE HIGHER EDUCATION ACT OF 1965

Sec. 2111. References; effective date.
Sec. 2112. Modification of 50/50 Rule.
Sec. 2113. Reauthorization of Federal Family Education Loan Program.
Sec. 2114. Loan limits.
Sec. 2115. Interest rates and special allowances.
Sec. 2116. Additional loan terms and conditions.
Sec. 2117. Consolidation loan changes.
Sec. 2118. Deferment of student loans for military service.
Sec. 2119. Loan forgiveness for service in areas of national need.
Sec. 2120. Unsubsidized Stafford loans.
Sec. 2121. Elimination of termination dates from Taxpayer-Teacher Protection Act of 2004.
Sec. 2122. Loan fees from lenders.
Sec. 2123. Additional administrative provisions.
Sec. 2124. Funds for administrative expenses.
Sec. 2125. Significantly simplifying the student aid application process.
Sec. 2126. Additional need analysis amendments.
Sec. 2127. Definition of eligible program.
Sec. 2128. Distance education.
Sec. 2129. Student eligibility.
Sec. 2130. Institutional refunds.
Sec. 2131. College access initiative.
Sec. 2132. Cancellation of Student Loan Indebtedness For Survivors of Victims of the September 11, 2001, Attacks.
Sec. 2133. Independent evaluation of distance education programs.
Sec. 2134. Disbursement of student loans.

PART 2—HIGHER EDUCATION RELIEF

Sec. 2141. References.
Sec. 2142. Waivers and modifications.
Sec. 2143. Cancellation of institutional repayment by colleges and universities affected by a Gulf hurricane disaster.
Sec. 2144. Cancellation of student loans for cancelled enrollment periods.
Sec. 2145. Temporary deferment of student loan repayment.
Sec. 2146. No affect on grant and loan limits.
Sec. 2147. Teacher loan relief.
Sec. 2148. Expanding information dissemination regarding eligibility for Pell Grants.
Sec. 2149. Procedures.
Sec. 2150. Termination of authority.
Sec. 2151. Definitions.

Subtitle C—Pensions

Sec. 2201. Increases in PBGC premiums.

Subtitle A—Welfare Reform

PART 1—SHORT TITLE; REFERENCES

SEC. 2001. SHORT TITLE.

This subtitle may be cited as the ''Personal Responsibility, Work, and Family Promotion Act of 2005''.

SEC. 2002. REFERENCES.

Except as otherwise expressly provided, wherever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Social Security Act.

PART 2—TANF

SEC. 2011. UNIVERSAL ENGAGEMENT AND FAMILY SELF-SUFFICIENCY PLAN REQUIREMENTS.

(a) MODIFICATION OF STATE PLAN REQUIREMENTS.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by striking clauses (ii) and (iii) and inserting the following:

''(ii) Require a parent or caretaker receiving assistance under the program to engage in work or alternative self-sufficiency activities (as defined by the State), consistent with section 407(e)(2).

''(iii) Require families receiving assistance under the program to engage in activities in accordance with family self-sufficiency plans developed pursuant to section 408(b).''.

(b) ESTABLISHMENT OF FAMILY SELF-SUFFICIENCY PLANS.—

(1) IN GENERAL.—Section 408(b) (42 U.S.C. 608(b)) is amended to read as follows:

''(b) FAMILY SELF-SUFFICIENCY PLANS.—

''(1) IN GENERAL.—A State to which a grant is made under section 403 shall—

''(A) assess, in the manner deemed appropriate by the State, the skills, prior work experience, and employability of each work-eligible individual (as defined in section 407(b)(2)(C)) receiving assistance under the State program funded under this part;

''(B) establish for each family that includes such an individual, in consultation as the State deems appropriate with the individual, a self-sufficiency plan that specifies appropriate activities described in the State plan submitted pursuant to section 402, including direct work activities as appropriate designed to assist the family in achieving their maximum degree of self-sufficiency, and that provides for the ongoing participation of the individual in the activities;

''(C) require, at a minimum, each such individual to participate in activities in accordance with the self-sufficiency plan;

''(D) monitor the participation of each such individual in the activities specified in the self-sufficiency plan, and regularly review the progress of the family toward self-sufficiency;

''(E) upon such a review, revise the self-sufficiency plan and activities as the State deems appropriate.

''(2) TIMING.—The State shall comply with paragraph (1) with respect to a family—

''(A) in the case of a family that, as of October 1, 2005, is not receiving assistance from the State program funded under this part, not later than 60 days after the family first receives assistance on the basis of the most recent application for the assistance; or

''(B) in the case of a family that, as of such date, is receiving the assistance, not later than 12 months after the date of enactment of this subsection.

''(3) STATE DISCRETION.—A State shall have sole discretion, consistent with section 407, to define and design activities for families for purposes of this subsection, to develop methods for monitoring and reviewing progress pursuant to this subsection, and to make modifications to the plan as the State deems appropriate to assist the individual in increasing their degree of self-sufficiency.

''(4) RULE OF INTERPRETATION.—Nothing in this part shall preclude a State from--

''(A) requiring participation in work and any other activities the State deems appropriate for helping families achieve self-sufficiency and improving child well-being; or

''(B) using job search or other appropriate job readiness or work activities to assess the employability of individuals and to determine appropriate future engagement activities.''.

(2) PENALTY FOR FAILURE TO ESTABLISH FAMILY SELF-SUFFICIENCY PLAN.—Section 409(a)(3) (42 U.S.C. 609(a)(3)) is amended—

(A) in the paragraph heading, by inserting ''OR ESTABLISH FAMILY SELF-SUFFICIENCY PLAN'' after ''RATES''; and

(B) in subparagraph (A), by inserting ''or 408(b)'' after ''407(a)''.

SEC. 2012. WORK PARTICIPATION REQUIREMENTS.

(a) ELIMINATION OF SEPARATE PARTICIPATION RATE REQUIREMENTS FOR 2-PARENT FAMILIES.—

(1) Section 407 (42 U.S.C. 607) is amended in each of subsections (a) and (b) by striking paragraph (2).

(2) Section 407(b)(4) (42 U.S.C. 607(b)(4)) is amended by striking ''paragraphs (1)(B) and (2)(B)'' and inserting ''paragraph (1)(B)''.

(3) Section 407(c)(1) (42 U.S.C. 607(c)(1)) is amended by striking subparagraph (B).

(4) Section 407(c)(2)(D) (42 U.S.C. 607(c)(2)(D)) is amended by striking ''paragraphs (1)(B)(i) and (2)(B) of subsection (b)'' and inserting ''subsection (b)(1)(B)(i)''.

(b) WORK PARTICIPATION REQUIREMENTS.—Section 407 (42 U.S.C. 607) is amended by striking all that precedes subsection (b)(3) and inserting the following:

''SEC. 407. WORK PARTICIPATION REQUIREMENTS.

''(a) PARTICIPATION RATE REQUIREMENTS.—A State to which a grant is made under section 403 for a fiscal year shall achieve a minimum participation rate equal to not less than—

''(1) 50 percent for fiscal year 2006;

''(2) 55 percent for fiscal year 2007;

''(3) 60 percent for fiscal year 2008;

''(4) 65 percent for fiscal year 2009; and

''(5) 70 percent for fiscal year 2010 and each succeeding fiscal year.

''(b) CALCULATION OF PARTICIPATION RATES.—

''(1) AVERAGE MONTHLY RATE.—For purposes of subsection (a), the participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

''(2) MONTHLY PARTICIPATION RATES; INCORPORATION OF 40-HOUR WORK WEEK STANDARD.—

''(A) IN GENERAL.—For purposes of paragraph (1), the participation rate of a State for a month is—

''(i) the total number of countable hours (as defined in subsection (c)) with respect to the counted families for the State for the month; divided by

''(ii) 160 multiplied by the number of counted families for the State for the month.

''(B) COUNTED FAMILIES DEFINED.—

''(i) IN GENERAL.—In subparagraph (A), the term 'counted family' means, with respect to a State and a month, a family that includes a work-eligible individual and that receives assistance in the month under the State program funded under this part, subject to clause (ii).

''(ii) STATE OPTION TO EXCLUDE CERTAIN FAMILIES.—At the option of a State, the term 'counted family' shall not include—

''(I) a family in the first month for which the family receives assistance from a State program funded under this part on the basis of the most recent application for such assistance;

''(II) on a case-by-case basis, a family in which the youngest child has not attained 12 months of age; or

''(III) a family that is subject to a sanction under this part or part D, but that has not been subject to such a sanction for more than 3 months (whether or not consecutive) in the preceding 12-month period.

''(iii) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN OR TRIBAL WORK PROGRAM.—At the option of a State, the term 'counted family' may include families in the State that are receiving assistance under a tribal family assistance plan approved under section 412 or under a tribal work program to which funds are provided under this part.

''(C) WORK-ELIGIBLE INDIVIDUAL DEFINED.—In this section, the term 'work-eligible individual' means an individual—

''(i) who is married or a single head of household; and

''(ii) whose needs are (or, but for sanctions under this part or part D, would be) included in determining the amount of cash assistance to be provided to the family under the State program funded under this part.''.

(c) RECALIBRATION OF CASELOAD REDUCTION CREDIT.—

(1) IN GENERAL.—Section 407(b)(3)(A)(ii) (42 U.S.C. 607(b)(3)(A)(ii)) is amended to read as follows:

''(ii) the average monthly number of families that received assistance under the State program funded under this part during the base year.''.

(2) CONFORMING AMENDMENT.—Section 407(b)(3)(B) (42 U.S.C. 607(b)(3)(B)) is amended by striking ''and eligibility criteria'' and all that follows through the close parenthesis and inserting ''and the eligibility criteria in effect during the then applicable base year''.

(3) BASE YEAR DEFINED.—Section 407(b)(3) (42 U.S.C. 607(b)(3)) is amended by adding at the end the following:

''(C) BASE YEAR DEFINED.—In this paragraph, the term 'base year' means, with respect to a fiscal year—

''(i) if the fiscal year is fiscal year 2006, fiscal year 1996;

''(ii) if the fiscal year is fiscal year 2007, fiscal year 1998;

''(iii) if the fiscal year is fiscal year 2008, fiscal year 2001; or

''(iv) if the fiscal year is fiscal year 2009 or any succeeding fiscal year, the then 4th preceding fiscal year.''.

(d) SUPERACHIEVER CREDIT.—Section 407(b) (42 U.S.C. 607(b)) is amended by striking paragraphs (4) and (5) and inserting the following:

''(4) SUPERACHIEVER CREDIT.—

''(A) IN GENERAL.—The participation rate, determined under paragraphs (1) and (2) of this subsection, of a superachiever State for a fiscal year shall be increased by the lesser of—

''(i) the amount (if any) of the superachiever credit applicable to the State; or

''(ii) the number of percentage points (if any) by which the minimum participation rate required by subsection (a) for the fiscal year exceeds 50 percent.

''(B) SUPERACHIEVER STATE.—For purposes of subparagraph (A), a State is a superachiever State if the State caseload for fiscal year 2001 has declined by at least 60 percent from the State caseload for fiscal year 1995.

''(C) AMOUNT OF CREDIT.—The superachiever credit applicable to a State is the number of percentage points (if any) by which the decline referred to in subparagraph (B) exceeds 60 percent.

''(D) DEFINITIONS.—In this paragraph:

''(i) STATE CASELOAD FOR FISCAL YEAR 2001.—The term 'State caseload for fiscal year 2001' means the average monthly number of families that received assistance during fiscal year 2001 under the State program funded under this part.

''(ii) STATE CASELOAD FOR FISCAL YEAR 1995.—The term 'State caseload for fiscal year 1995' means the average monthly number of families that received aid under the State plan approved under part A (as in effect on September 30, 1995) during fiscal year 1995.''.

(e) COUNTABLE HOURS.—Section 407 (42 U.S.C. 607) is amended by striking subsections (c) and (d) and inserting the following:

''(c) COUNTABLE HOURS.—

''(1) DEFINITION.—In subsection (b)(2), the term 'countable hours' means, with respect to a family for a month, the total number of hours in the month in which any member of the family who is a work-eligible individual is engaged in a direct work activity or other activities specified by the State (excluding an activity that does not address a purpose specified in section 401(a)), subject to the other provisions of this subsection.

''(2) LIMITATIONS.—Subject to such regulations as the Secretary may prescribe:

''(A) MINIMUM WEEKLY AVERAGE OF 24 HOURS OF DIRECT WORK ACTIVITIES REQUIRED.—If the work-eligible individuals in a family are engaged in a direct work activity for an average total of fewer than 24 hours per week in a month, then the number of countable hours with respect to the family for the month shall be zero.

''(B) MAXIMUM WEEKLY AVERAGE OF 16 HOURS OF OTHER ACTIVITIES.—An average of not more than 16 hours per week of activities specified by the State (subject to the exclusion described in paragraph (1)) may be considered countable hours in a month with respect to a family.

''(3) SPECIAL RULES.—For purposes of paragraph (1):

''(A) PARTICIPATION IN QUALIFIED ACTIVITIES.—

''(i) IN GENERAL.—If, with the approval of the State, the work-eligible individuals in a family are engaged in 1 or more qualified activities for an average total of at least 24 hours per week in a month, then all such engagement in the month shall be considered engagement in a direct work activity, subject to clause (iii).

''(ii) QUALIFIED ACTIVITY DEFINED.—The term 'qualified activity' means an activity specified by the State (subject to the exclusion described in paragraph (1)) that meets such standards and criteria as the State may specify, including—

''(I) substance abuse counseling or treatment;

''(II) rehabilitation treatment and services;

''(III) work-related education or training directed at enabling the family member to work;

''(IV) job search or job readiness assistance; and

''(V) any other activity that addresses a purpose specified in section 401(a).

''(iii) LIMITATION.—

''(I) IN GENERAL.—Except as provided in subclause (II), clause (i) shall not apply to a family for more than 3 months in any period of 24 consecutive months.

''(II) SPECIAL RULE APPLICABLE TO EDUCATION AND TRAINING.—A State may, on a case-by-case basis, apply clause (i) to a work-eligible individual so that participation by the individual in education or training, if needed to permit the individual to complete a certificate program or other work-related education or training directed at enabling the individual to fill a known job need in a local area, may be considered countable hours with respect to the family of the individual for not more than 4 months in any period of 24 consecutive months.

''(B) SCHOOL ATTENDANCE BY TEEN HEAD OF HOUSEHOLD.—The work-eligible members of a family shall be considered to be engaged in a direct work activity for an average of 40 hours per week in a month if the family includes an individual who is married, or is a single head of household, who has not attained 20 years of age, and the individual—

''(i) maintains satisfactory attendance at secondary school or the equivalent in the month; or

''(ii) participates in education directly related to employment for an average of at least 20 hours per week in the month.

''(C) PARENTAL PARTICIPATION IN SCHOOLS.—Each work-eligible individual in a family shall make verified visits at least twice per school year to the school of each of the individual's minor dependent children required to attend school under the law of the State in which the minor children reside, during

the period in which the family receives assistance under the program funded under this part. Hours spent in such activity may be specified by the State as countable hours for purposes of paragraph (2)(B).

''(d) DIRECT WORK ACTIVITY.—In this section, the term 'direct work activity' means—

''(1) unsubsidized employment;

''(2) subsidized private sector employment;

''(3) subsidized public sector employment;

''(4) on-the-job training;

''(5) supervised work experience; or

''(6) supervised community service.''.

(f) PENALTIES AGAINST INDIVIDUALS.—Section 407(e)(1) (42 U.S.C. 607(e)(1)) is amended to read as follows:

''(1) REDUCTION OR TERMINATION OF ASSISTANCE.—

''(A) IN GENERAL.—Except as provided in paragraph (2), if an individual in a family receiving assistance under a State program funded under this part fails to engage in activities required in accordance with this section, or other activities required by the State under the program, and the family does not otherwise engage in activities in accordance with the self-sufficiency plan established for the family pursuant to section 408(b), the State shall—

''(i) if the failure is partial or persists for not more than 1 month—

''(I) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the failure occurs; or

''(II) terminate all assistance to the family, subject to such good cause exceptions as the State may establish; or

''(ii) if the failure is total and persists for at least 2 consecutive months, terminate all cash payments to the family including qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for at least 1 month and thereafter until the State determines that the individual has resumed full participation in the activities, subject to such good cause exceptions as the State may establish.

''(B) SPECIAL RULE.—

''(i) IN GENERAL.—In the event of a conflict between a requirement of clause (i)(II) or (ii) of subparagraph (A) and a requirement of a State constitution, or of a State statute that, before 1966, obligated local government to provide assistance to needy parents and children, the State constitutional or statutory requirement shall control.

''(ii) LIMITATION.—Clause (i) of this subparagraph shall not apply after the 1-year period that begins with the date of the enactment of this subparagraph.''.

(g) CONFORMING AMENDMENTS.—

(1) Section 407(f) (42 U.S.C. 607(f)) is amended in each of paragraphs (1) and (2) by striking ''work activity described in subsection (d)'' and inserting ''direct work activity''.

(2) The heading of section 409(a)(14) (42 U.S.C. 609(a)(14)) is amended by inserting ''OR REFUSING TO ENGAGE IN ACTIVITIES UNDER A FAMILY SELF-SUFFICIENCY PLAN'' after ''WORK''.

SEC. 2013. WORK-RELATED PERFORMANCE IMPROVEMENT.

(a) STATE PLANS.—Section 402(a)(1) (42 U.S.C. 602(a)) is amended—

(1) in subparagraph (A), by adding at the end the following:

''(vii) The document shall—

''(I) describe how the State will pursue ending dependence of needy families on government benefits and reducing poverty by promoting job preparation and work;

''(II) include specific, numerical, and measurable performance objectives for accomplishing subclause (I); and

''(III) describe the methodology that the State will use to measure State performance in relation to each such objective.

''(viii) Describe any strategies and programs the State may be undertaking to address—

''(I) employment retention and advancement for recipients of assistance under the program, including placement into high-demand jobs, and whether the jobs are identified using labor market information;

''(II) services for struggling and noncompliant families, and for clients with special problems; and

''(III) program integration, including the extent to which employment and training services under the program are provided through the One-Stop delivery system created under the Workforce Investment Act of 1998, and the extent to which former recipients of such assistance have access to additional core, intensive, or training services funded through such Act.''; and

(2) in subparagraph (B), by striking clause (iv).

(b) REPORT ON ANNUAL PERFORMANCE IMPROVEMENT.—Section 411 (42 U.S.C. 611) is amended by adding at the end the following:

''(c) ANNUAL REPORT ON PERFORMANCE IMPROVEMENT.—Beginning with fiscal year 2007, not later than January 1 of each fiscal year, each eligible State shall submit to the Secretary a report on achievement and improvement during the preceding fiscal year under the numerical performance goals and measures under the State program funded under this part with respect to the matter described in section 402(a)(1)(A)(vii).''.

(c) ANNUAL RANKING OF STATES.—Section 413(d)(1) (42 U.S.C. 613(d)(1)) is amended by striking ''long-term private sector jobs,'' and inserting ''private sector jobs, the success of the recipients in retaining employment, the ability of the recipients to increase their wages,''.

(d) PERFORMANCE IMPROVEMENT.—Section 413 (42 U.S.C. 613) is amended by adding at the end the following:

''(k) PERFORMANCE IMPROVEMENT.—The Secretary, in consultation with States, shall develop uniform performance measures designed to assess the degree of effectiveness, and the degree of improvement, of State programs funded under this part in accomplishing the work-related purposes of this part.''.

SEC. 2014. REPORT ON COORDINATION.

Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services and the Secretary of Labor shall jointly submit a report to the Congress describing common or conflicting data elements, definitions, performance measures, and reporting requirements in the Workforce Investment Act of 1998 and part A of title IV of the Social Security Act, and, to the degree each Secretary deems appropriate, at the discretion of either Secretary, any other program administered by the respective Secretary, to allow greater coordination between the welfare and workforce development systems.

SEC. 2015. FATHERHOOD PROGRAM.

(a) SHORT TITLE.—This section may be cited as the ''Promotion and Support of Responsible Fatherhood and Healthy Marriage Act of 2005''.

(b) FATHERHOOD PROGRAM.—

(1) IN GENERAL.—Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) is amended by adding at the end the following:

''SEC. 117. FATHERHOOD PROGRAM.

''(a) IN GENERAL.—Title IV (42 U.S.C. 601–679b) is amended by inserting after part B the following:

'PART C—FATHERHOOD PROGRAM

'SEC. 441. FINDINGS AND PURPOSES.

'(a) FINDINGS.—The Congress finds that there is substantial evidence strongly indicating the urgent need to promote and support involved, committed, and responsible fatherhood, and to encourage and support healthy marriages between parents raising children, including data demonstrating the following:

'(1) In approximately 84 percent of cases where a parent is absent, that parent is the father.

'(2) If current trends continue, half of all children born today will live apart from one of their parents, usually their father, at some point before they turn 18.

'(3) Where families (whether intact or with a parent absent) are living in poverty, a significant factor is the father's lack of job skills.

'(4) Committed and responsible fathering during infancy and early childhood contributes to the development of emotional security, curiosity, and math and verbal skills.

'(5) An estimated 19,400,000 children (27 percent) live apart from their biological father.

'(6) Forty percent of children under age 18 not living with their biological father had not seen their father even once in the last 12 months, according to national survey data.

'(b) PURPOSES.—The purposes of this part are:

'(1) To provide for projects and activities by public entities and by nonprofit community entities, including religious organizations, designed to test promising approaches to accomplishing the following objectives:

'(A) Promoting responsible, caring, and effective parenting through counseling, mentoring, and parenting education, dissemination of educational materials and information on parenting skills, encouragement of positive father involvement, including the positive involvement of nonresident fathers, and other methods.

'(B) Enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take full advantage of education, job training, and job search programs, to improve work habits and work skills, to secure career advancement by activities such as outreach and information dissemination, coordination, as appropriate, with employment services and job training programs, including the One-Stop delivery system established under title I of the Workforce Investment Act of 1998, encouragement and support of timely payment of current child support and regular payment toward past due child support obligations in appropriate cases, and other methods.

'(C) Improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in matters including household management, budgeting, banking, and handling of financial transactions, time management, and home maintenance.

'(D) Encouraging and supporting healthy marriages and married fatherhood through such activities as premarital education, including the use of premarital inventories, marriage preparation programs, skills-based marriage education programs, marital therapy, couples counseling, divorce education and reduction programs, divorce mediation and counseling, relationship skills enhancement programs, including those designed to reduce child abuse and domestic violence, and dissemination of information about the benefits of marriage for both parents and children.

'(2) Through the projects and activities described in paragraph (1), to improve outcomes for children with respect to measures such as increased family income and economic security, improved school performance, better health, improved emotional and behavioral stability and social adjustment,

and reduced risk of delinquency, crime, substance abuse, child abuse and neglect, teen sexual activity, and teen suicide.

'(3) To evaluate the effectiveness of various approaches and to disseminate findings concerning outcomes and other information in order to encourage and facilitate the replication of effective approaches to accomplishing these objectives.

'SEC. 442. DEFINITIONS.

'In this part, the terms ''Indian tribe'' and ''tribal organization'' have the meanings given them in subsections (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act.

'SEC. 443. COMPETITIVE GRANTS FOR SERVICE PROJECTS.

'(a) IN GENERAL.—The Secretary may make grants for fiscal years 2006 through 2010 to public and nonprofit community entities, including religious organizations, and to Indian tribes and tribal organizations, for demonstration service projects and activities designed to test the effectiveness of various approaches to accomplish the objectives specified in section 441(b)(1).

'(b) ELIGIBILITY CRITERIA FOR FULL SERVICE GRANTS.—In order to be eligible for a grant under this section, except as specified in subsection (c), an entity shall submit an application to the Secretary containing the following:

'(1) PROJECT DESCRIPTION.—A statement including—

'(A) a description of the project and how it will be carried out, including the geographical area to be covered and the number and characteristics of clients to be served, and how it will address each of the 4 objectives specified in section 441(b)(1); and

'(B) a description of the methods to be used by the entity or its contractor to assess the extent to which the project was successful in accomplishing its specific objectives and the general objectives specified in section 441(b)(1).

'(2) EXPERIENCE AND QUALIFICATIONS.—A demonstration of ability to carry out the project, by means such as demonstration of experience in successfully carrying out projects of similar design and scope, and such other information as the Secretary may find necessary to demonstrate the entity's capacity to carry out the project, including the entity's ability to provide the non-Federal share of project resources.

'(3) ADDRESSING CHILD ABUSE AND NEGLECT AND DOMESTIC VIOLENCE.—A description of how the entity will assess for the presence of, and intervene to resolve, domestic violence and child abuse and neglect, including how the entity will coordinate with State and local child protective service and domestic violence programs.

'(4) ADDRESSING CONCERNS RELATING TO SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A commitment to make available to each individual participating in the project education about alcohol, tobacco, and other drugs, and about the health risks associated with abusing such substances, and information about diseases and conditions transmitted through substance abuse and sexual contact, including HIV/AIDS, and to coordinate with providers of services addressing such problems, as appropriate.

'(5) COORDINATION WITH SPECIFIED PROGRAMS.—An undertaking to coordinate, as appropriate, with State and local entities responsible for the programs under parts A, B, and D of this title, including programs under title I of the Workforce Investment Act of 1998 (including the One-Stop delivery system), and such other programs as the Secretary may require.

'(6) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

'(7) SELF-INITIATED EVALUATION.—If the entity elects to contract for independent evaluation of the project (part or all of the cost of which may be paid for using grant funds), a commitment to submit to the Secretary a copy of the evaluation report within 30 days after completion of the report and not more than 1 year after completion of the project.

'(8) COOPERATION WITH SECRETARY'S OVERSIGHT AND EVALUATION.—An agreement to cooperate with the Secretary's evaluation of projects assisted under this section, by means including random assignment of clients to service recipient and control groups, if determined by the Secretary to be appropriate, and affording the Secretary access to the project and to project-related records and documents, staff, and clients.

'(c) ELIGIBILITY CRITERIA FOR LIMITED PURPOSE GRANTS.—In order to be eligible for a grant under this section in an amount under $25,000 per fiscal year, an entity shall submit an application to the Secretary containing the following:

'(1) PROJECT DESCRIPTION.—A description of the project and how it will be carried out, including the number and characteristics of clients to be served, the proposed duration of the project, and how it will address at least 1 of the 4 objectives specified in section 441(b)(1).

'(2) QUALIFICATIONS.—Such information as the Secretary may require as to the capacity of the entity to carry out the project, including any previous experience with similar activities.

'(3) COORDINATION WITH RELATED PROGRAMS.—As required by the Secretary in appropriate cases, an undertaking to coordinate and cooperate with State and local entities responsible for specific programs relating to the objectives of the project including, as appropriate, jobs programs and programs serving children and families.

'(4) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

'(5) COOPERATION WITH SECRETARY'S OVERSIGHT AND EVALUATION.—An agreement to cooperate with the Secretary's evaluation of projects assisted under this section, by means including affording the Secretary access to the project and to project-related records and documents, staff, and clients.

'(d) CONSIDERATIONS IN AWARDING GRANTS.—

'(1) DIVERSITY OF PROJECTS.—In awarding grants under this section, the Secretary shall seek to achieve a balance among entities of differing sizes, entities in differing geographic areas, entities in urban and in rural areas, and entities employing differing methods of achieving the purposes of this section, including working with the State agency responsible for the administration of part D to help fathers satisfy child support arrearage obligations.

'(2) PREFERENCE FOR PROJECTS SERVING LOW-INCOME FATHERS.—In awarding grants under this section, the Secretary may give preference to applications for projects in which a majority of the clients to be served are low-income fathers.

'(e) FEDERAL SHARE.—

'(1) IN GENERAL.—Grants for a project under this section for a fiscal year shall be available for a share of the cost of such project in such fiscal year equal to—

'(A) up to 80 percent (or up to 90 percent, if the entity demonstrates to the Secretary's satisfaction circumstances limiting the entity's ability to secure non-Federal resources) in the case of a project under subsection (b); and

'(B) up to 100 percent, in the case of a project under subsection (c).

'(2) NON-FEDERAL SHARE.—The non-Federal share may be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to goods, services, and facilities contributed from non-Federal sources.

'SEC. 444. MULTICITY, MULTISTATE DEMONSTRATION PROJECTS.

'(a) IN GENERAL.—The Secretary may make grants under this section for fiscal years 2006 through 2010 to eligible entities (as specified in subsection (b)) for 2 multicity, multistate projects demonstrating approaches to achieving the objectives specified in section 441(b)(1). One of the projects shall test the use of married couples to deliver program services.

'(b) ELIGIBLE ENTITIES.—An entity eligible for a grant under this section must be a national nonprofit fatherhood promotion organization that meets the following requirements:

'(1) EXPERIENCE WITH FATHERHOOD PROGRAMS.—The organization must have substantial experience in designing and successfully conducting programs that meet the purposes described in section 441.

'(2) EXPERIENCE WITH MULTICITY, MULTISTATE PROGRAMS AND GOVERNMENT COORDINATION.—The organization must have experience in simultaneously conducting such programs in more than 1 major metropolitan area in more than 1 State and in coordinating such programs, where appropriate, with State and local government agencies and private, nonprofit agencies (including community-based and religious organizations), including State or local agencies responsible for child support enforcement and workforce development.

'(c) APPLICATION REQUIREMENTS.—In order to be eligible for a grant under this section, an entity must submit to the Secretary an application that includes the following:

'(1) QUALIFICATIONS.—

'(A) ELIGIBLE ENTITY.—A demonstration that the entity meets the requirements of subsection (b).

'(B) OTHER.—Such other information as the Secretary may find necessary to demonstrate the entity's capacity to carry out the project, including the entity's ability to provide the non-Federal share of project resources.

'(2) PROJECT DESCRIPTION.—A description of and commitments concerning the project design, including the following:

'(A) IN GENERAL.—A detailed description of the proposed project design and how it will be carried out, which shall—

'(i) provide for the project to be conducted in at least 3 major metropolitan areas;

'(ii) state how it will address each of the 4 objectives specified in section 441(b)(1);

'(iii) demonstrate that there is a sufficient number of potential clients to allow for the random selection of individuals to participate in the project and for comparisons with appropriate control groups composed of individuals who have not participated in such projects; and

'(iv) demonstrate that the project is designed to direct a majority of project resources to activities serving low-income fathers (but the project need not make services available on a means-tested basis).

'(B) OVERSIGHT, EVALUATION, AND ADJUSTMENT COMPONENT.—An agreement that the entity—

'(i) in consultation with the evaluator selected pursuant to section 446, and as required by the Secretary, will modify the project design, initially and (if necessary)

subsequently throughout the duration of the project, in order to facilitate ongoing and final oversight and evaluation of project operation and outcomes (by means including, to the maximum extent feasible, random assignment of clients to service recipient and control groups), and to provide for mid-course adjustments in project design indicated by interim evaluations;

'(ii) will submit to the Secretary revised descriptions of the project design as modified in accordance with clause (i); and

'(iii) will cooperate fully with the Secretary's ongoing oversight and ongoing and final evaluation of the project, by means including affording the Secretary access to the project and to project-related records and documents, staff, and clients.

'(3) ADDRESSING CHILD ABUSE AND NEGLECT AND DOMESTIC VIOLENCE.—A description of how the entity will assess for the presence of, and intervene to resolve, domestic violence and child abuse and neglect, including how the entity will coordinate with State and local child protective service and domestic violence programs.

'(4) ADDRESSING CONCERNS RELATING TO SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A commitment to make available to each individual participating in the project education about alcohol, tobacco, and other drugs, and about the health risks associated with abusing such substances, and information about diseases and conditions transmitted through substance abuse and sexual contact, including HIV/AIDS, and to coordinate with providers of services addressing such problems, as appropriate.

'(5) COORDINATION WITH SPECIFIED PROGRAMS.—An undertaking to coordinate, as appropriate, with State and local entities responsible for the programs funded under parts A, B, and D of this title, programs under title I of the Workforce Investment Act of 1998 (including the One-Stop delivery system), and such other programs as the Secretary may require.

'(6) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits (in addition to those required under the preceding provisions of paragraph (2)) as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

'(d) FEDERAL SHARE.—

'(1) IN GENERAL.—Grants for a project under this section for a fiscal year shall be available for up to 80 percent of the cost of such project in such fiscal year.

'(2) NON-FEDERAL SHARE.—The non-Federal share may be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to goods, services, and facilities contributed from non-Federal sources.

'SEC. 445. ECONOMIC INCENTIVE DEMONSTRATION PROJECTS.

'(a) IN GENERAL.—The Secretary may make grants under this section for fiscal years 2006 through 2010 to eligible entities (as specified in subsection (b)) for two to five projects demonstrating approaches to achieving the objectives specified in section 441(b)(1). Drawing on the success of economic-incentive programs in demonstrating strong employment effects for low-income mothers, projects shall test the use of economic incentives combined with a comprehensive approach to addressing employment barriers to encourage non-custodial parents to enter the workforce and to contribute financially and emotionally to their children. The Secretary may make grants based on the level of innovation, comprehensiveness, and likelihood to achieve the goal of increased employment by the applicant.

'(b) ELIGIBLE ENTITIES.—An entity eligible for a grant under this section must be a national nonprofit fatherhood promotion organization that meets the following requirements:

'(1) EXPERIENCE WITH FATHERHOOD PROGRAMS.—The organization must have substantial experience in designing and successfully conducting programs that meet the purposes described in section 441.

'(2) EXPERIENCE ADDRESSING MULTIPLE BARRIERS TO EMPLOYMENT.—The organization must have experience in conducting such programs and in coordinating such programs, where appropriate, with State and local government agencies and private, nonprofit agencies (including community-based and religious organizations), including State or local agencies responsible for child support enforcement and workforce development.

'(3) NEGOTIATED AGREEMENTS WITH STATE AND LOCAL AGENCIES FOR APPROPRIATE POLICY CHANGES TO ADDRESS BARRIERS TO EMPLOYMENT.—The organization must have agreements in place with State and local government agencies, including State or local agencies responsible for child support enforcement and workforce development, to incorporate appropriate policy changes proposed to address barriers to employment.

'(c) APPLICATION REQUIREMENTS.—In order to be eligible for a grant under this section, an entity must submit to the Secretary an application that includes the following:

'(1) QUALIFICATIONS.—

'(A) ELIGIBLE ENTITY.—A demonstration that the entity meets the requirements of subsection (b).

'(B) OTHER.—Such other information as the Secretary may find necessary to demonstrate the entity's capacity to carry out the project, including the entity's ability to provide the non-Federal share of project resources.

'(2) PROJECT DESCRIPTION.—A description of and commitments concerning the project design, including the following:

'(A) IN GENERAL.—A detailed description of the proposed project design and how the project will be carried out, which shall—

'(i) state how the project will address each of the 4 objectives specified in section 441(b)(1);

'(ii) state how the project will address employment barriers across programs (such as child support, criminal justice, and workforce development programs) using both sanctions and compliance along with monetary incentives for obtaining employment, with earning subsidies contingent upon work and child support payment;

'(iii) demonstrate that there is a sufficient number of potential clients to allow for the random selection of individuals to participate in the project and for comparisons with appropriate control groups composed of individuals who have not participated in such projects; and

'(iv) demonstrate that the project is designed to direct a majority of project resources to activities serving low-income fathers (but the project need not make services available on a means-tested basis).

'(B) OVERSIGHT, EVALUATION, AND ADJUSTMENT COMPONENT.—An agreement that the entity—

'(i) in consultation with the evaluator selected pursuant to section 446, and as required by the Secretary, will modify the project design, initially and (if necessary) subsequently throughout the duration of the project, in order to facilitate ongoing and final oversight and evaluation of project operation and outcomes (by means including, to the maximum extent feasible, random assignment of clients to service recipient and control groups), and to provide for mid-course adjustments in project design indicated by interim evaluations;

'(ii) will submit to the Secretary revised descriptions of the project design as modified in accordance with clause (i); and

'(iii) will cooperate fully with the Secretary's ongoing oversight and ongoing and final evaluation of the project, by means including affording the Secretary access to the project and to project-related records and documents, staff, and clients.

'(3) ADDRESSING CHILD ABUSE AND NEGLECT AND DOMESTIC VIOLENCE.—A description of how the entity will assess for the presence of, and intervene to resolve, domestic violence and child abuse and neglect, including how the entity will coordinate with State and local child protective service and domestic violence programs.

'(4) ADDRESSING CONCERNS RELATING TO SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A commitment to make available to each individual participating in the project education about alcohol, tobacco, and other drugs, and about the health risks associated with abusing such substances, and information about diseases and conditions transmitted through substance abuse and sexual contact, including HIV/AIDS, and to coordinate with providers of services addressing such problems, as appropriate.

'(5) COORDINATION WITH SPECIFIED PROGRAMS.—An undertaking to coordinate, as appropriate, with State and local entities responsible for the programs funded under parts A, B, and D of this title, programs under title I of the Workforce Investment Act of 1998 (including the One-Stop delivery system), and such other programs as the Secretary may require.

'(6) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits (in addition to those required under the preceding provisions of paragraph (2)) as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

'(d) FEDERAL SHARE.—

'(1) IN GENERAL.—Grants for a project under this section for a fiscal year shall be available for up to 80 percent of the cost of such project in such fiscal year.

'(2) NON-FEDERAL SHARE.—The non-Federal share may be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to goods, services, and facilities contributed from non-Federal sources.

'SEC. 446. EVALUATION.

'(a) IN GENERAL.—The Secretary, directly or by contract or cooperative agreement, shall evaluate the effectiveness of service projects funded under sections 443 and 444 from the standpoint of the purposes specified in section 441(b)(1).

'(b) EVALUATION METHODOLOGY.—Evaluations under this section shall—

'(1) include, to the maximum extent feasible, random assignment of clients to service delivery and control groups and other appropriate comparisons of groups of individuals receiving and not receiving services;

'(2) describe and measure the effectiveness of the projects in achieving their specific project goals; and

'(3) describe and assess, as appropriate, the impact of such projects on marriage, parenting, domestic violence, child abuse and neglect, money management, employment and earnings, payment of child support, and child well-being, health, and education.

'(c) EVALUATION REPORTS.—The Secretary shall publish the following reports on the results of the evaluation:

'(1) An implementation evaluation report covering the first 24 months of the activities

under this part to be completed by 36 months after initiation of such activities.

'(2) A final report on the evaluation to be completed by September 30, 2013.

'SEC. 447. PROJECTS OF NATIONAL SIGNIFICANCE.

'The Secretary is authorized, by grant, contract, or cooperative agreement, to carry out projects and activities of national significance relating to fatherhood promotion, including—

'(1) COLLECTION AND DISSEMINATION OF INFORMATION.—Assisting States, communities, and private entities, including religious organizations, in efforts to promote and support marriage and responsible fatherhood by collecting, evaluating, developing, and making available (through the Internet and by other means) to all interested parties information regarding approaches to accomplishing the objectives specified in section 441(b)(1).

'(2) MEDIA CAMPAIGN.—Developing, promoting, and distributing to interested States, local governments, public agencies, and private nonprofit organizations, including charitable and religious organizations, a media campaign that promotes and encourages involved, committed, and responsible fatherhood and married fatherhood.

'(3) TECHNICAL ASSISTANCE.—Providing technical assistance, including consultation and training, to public and private entities, including community organizations and faith-based organizations, in the implementation of local fatherhood promotion programs.

'(4) RESEARCH.—Conducting research related to the purposes of this part.

'SEC. 448. NONDISCRIMINATION.

'The projects and activities assisted under this part shall be available on the same basis to all fathers and expectant fathers able to benefit from such projects and activities, including married and unmarried fathers and custodial and noncustodial fathers, with particular attention to low-income fathers, and to mothers and expectant mothers on the same basis as to fathers.

'SEC. 449. AUTHORIZATION OF APPROPRIATIONS; RESERVATION FOR CERTAIN PURPOSE.

'(a) AUTHORIZATION.—There are authorized to be appropriated $20,000,000 for each of fiscal years 2006 through 2010 to carry out the provisions of this part.

'(b) RESERVATION.—Of the amount appropriated under this section for each fiscal year, not more than 35 percent shall be available for the costs of the multicity, multicounty, multistate demonstration projects under section 444, the economic incentives demonstration projects under section 445, evaluations under section 446, and projects of national significance under section 447, with not less than $5,000,000 allocated to the economic incentives demonstration project under section 445.'.

''(b) INAPPLICABILITY OF EFFECTIVE DATE PROVISIONS.—Section 116 shall not apply to the amendment made by subsection (a) of this section.''.

(2) CLERICAL AMENDMENT.—Section 2 of such Act is amended in the table of contents by inserting after the item relating to section 116 the following new item:

''Sec. 117. Fatherhood program.''.

SEC. 2016. STATE OPTION TO MAKE TANF PROGRAMS MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT TRAINING CENTERS.

Section 408 (42 U.S.C. 608) is amended by adding at the end the following:

''(h) STATE OPTION TO MAKE TANF PROGRAMS MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT TRAINING CENTERS.—For purposes of section 121(b) of the Workforce Investment Act of 1998, a State program funded under part A of title IV of the Social Security Act shall be considered a program referred to in paragraph (1)(B) of such section, unless, after the date of the enactment of this subsection, the Governor of the State notifies the Secretaries of Health and Human Services and Labor in writing of the decision of the Governor not to make the State program a mandatory partner.''.

SEC. 2017. SENSE OF THE CONGRESS.

It is the sense of the Congress that a State welfare-to-work program should include a mentoring program.

SEC. 2018. PROHIBITION ON OFFSHORING.

Section 408(a) (42 U.S.C. 608(a)) is amended by adding at the end the following:

''(12) PROHIBITION ON OFFSHORING.—A State to which a grant is made under section 403 shall not use any part of the grant—

''(A) to enter into a contract with an entity that, directly or through a subcontractor, provides any service, activity or function described under this part at a location outside the United States; or

''(B) to reduce employment in the United States through use of 1 or more employees outside the United States.''.

PART 3—CHILD CARE

SEC. 2021. SHORT TITLE.

This part may be cited as the ''Caring for Children Act of 2005''.

SEC. 2022. GOALS.

(a) GOALS.—Section 658A(b) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9801 note) is amended—

(1) in paragraph (3) by striking ''encourage'' and inserting ''assist'',

(2) by amending paragraph (4) to read as follows:

''(4) to assist States to provide child care to low-income parents;'',

(3) by redesignating paragraph (5) as paragraph (7), and

(4) by inserting after paragraph (4) the following:

''(5) to encourage States to improve the quality of child care available to families;

''(6) to promote school readiness by encouraging the exposure of young children in child care to nurturing environments and developmentally-appropriate activities, including activities to foster early cognitive and literacy development; and''.

(b) CONFORMING AMENDMENT.—Section 658E(c)(3)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(3)(B)) is amended by striking ''through (5)'' and inserting ''through (7)''.

SEC. 2023. AUTHORIZATION OF APPROPRIATIONS.

Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended—

(1) by striking ''is'' and inserting ''are'', and

(2) by striking ''$1,000,000,000 for each of the fiscal years 1996 through 2002'' and inserting ''$2,300,000,000 for fiscal year 2006, $2,500,000,000 for fiscal year 2007, $2,700,000,000 for fiscal year 2008, $2,900,000,000 for fiscal year 2009, and $3,100,000,000 for fiscal year 2010''.

SEC. 2024. APPLICATION AND PLAN.

Section 658E(c)(2) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858C(c)(2)) is amended—

(1) by amending subparagraph (D) to read as follows:

''(D) CONSUMER AND CHILD CARE PROVIDER EDUCATION INFORMATION.—

''(i) CERTIFICATION.—Certify that the State will collect and disseminate, through resource and referral services and other means as determined by the State, to parents of eligible children, child care providers, and the general public, information regarding—

''(I) the promotion of informed child care choices, including information about the quality and availability of child care services;

''(II) research and best practices on children's development, including early cognitive development;

''(III) the availability of assistance to obtain child care services; and

''(IV) other programs for which families that receive child care services for which financial assistance is provided under this subchapter may be eligible, including the food stamp program, the WIC program under section 17 of the Child Nutrition Act of 1966, the child and adult care food program under section 17 of the Richard B. Russell National School Lunch Act, Head Start programs, Early Head Start programs, services and activities under section 619 and part C of the Individuals with Disabilities Education Act, and the medicaid and SCHIP programs under titles XIX and XXI of the Social Security Act.

''(ii) INFORMATION.—Information provided to parents shall be in plain language and, to the extent practicable, be in a language that such parents can understand.'', and

(2) by inserting after subparagraph (H) the following:

''(I) COORDINATION WITH OTHER EARLY CHILD CARE SERVICES AND EARLY CHILDHOOD EDUCATION PROGRAMS.—Demonstrate how the State is coordinating child care services provided under this subchapter with Head Start programs, Early Head Start programs, Early Reading First, Even Start, Ready-To-Learn Television, services and activities under section 619 and part C of the Individuals with Disabilities Education Act, State pre-kindergarten programs, and other early childhood education programs to expand accessibility to and continuity of care and early education consistent with the goals of this Act, without displacing services provided by the current early care and education delivery system.

''(J) PUBLIC-PRIVATE PARTNERSHIPS.—Demonstrate how the State encourages partnerships with private and other public entities to leverage existing service delivery systems of early childhood education and increase the supply and quality of child care services.

''(K) CHILD CARE SERVICE QUALITY.—

''(i) CERTIFICATION.—For each fiscal year after fiscal year 2006, certify that during the then preceding fiscal year the State was in compliance with section 658G and describe how funds were used to comply with such section during such preceding fiscal year.

''(ii) STRATEGY.—For each fiscal year after fiscal year 2006, contain an outline of the strategy the State will implement during such fiscal year for which the State plan is submitted, to address the quality of child care services in the State available from eligible child care providers, and include in such strategy—

''(I) a statement specifying how the State will address the activities described in paragraphs (1), (2), and (3) of section 658G;

''(II) a description of measures for evaluating the quality improvements generated by the activities listed in each of such paragraphs that the State will use to evaluate its progress in improving the quality of such child care services;

''(III) a list of State-developed child care service quality targets for such fiscal year quantified on the basis of such measures; and

''(IV) for each fiscal year after fiscal year 2006, a report on the progress made to achieve such targets during the then preceding fiscal year.

''(iii) RULE OF CONSTRUCTION.—Nothing in this subparagraph shall be construed to require that the State apply measures for evaluating quality to specific types of child care providers.

''(L) ACCESS TO CARE FOR CERTAIN POPULATIONS.—Demonstrate how the State is addressing the child care needs of parents eligible for child care services for which financial assistance is provided under this subchapter who have children with special needs, are limited English proficient, work nontraditional hours, or require child care services for infants or toddlers.''.

SEC. 2025. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.

Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended to read as follows:

''SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE SERVICES.

''A State that receives funds to carry out this subchapter for a fiscal year, shall use not less than 6 percent of the amount of such funds for activities provided through resource and referral services and other means, that are designed to improve the quality of child care services in the State available from eligible child care providers. Such activities include—

''(1) programs that provide training, education, and other professional development activities to enhance the skills of the child care workforce, including training opportunities for caregivers in informal care settings;

''(2) activities within child care settings to enhance early learning for young children, to promote early literacy, and to foster school readiness;

''(3) initiatives to increase the retention and compensation of child care providers, including tiered reimbursement rates for providers that meet quality standards as defined by the State; or

''(4) other activities deemed by the State to improve the quality of child care services provided in such State.''.

SEC. 2026. REPORTS AND AUDITS.

Section 658K(a)(1)(B)(iii) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858i(a)(1)(B)(iii)) is amended by inserting ''ethnicity, primary language,'' after ''race,''.

SEC. 2027. REPORT BY SECRETARY.

Section 658L of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858j) is amended to read as follows:

''SEC. 658L. REPORT BY SECRETARY.

''(a) REPORT REQUIRED.—Not later than October 1, 2007, and biennially thereafter, the Secretary shall prepare and submit to the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor and Pensions of the Senate a report that contains the following:

''(1) A summary and analysis of the data and information provided to the Secretary in the State reports submitted under section 658K.

''(2) Aggregated statistics on the supply of, demand for, and quality of child care, early education, and non-school-hours programs.

''(3) An assessment, and where appropriate, recommendations for the Congress concerning efforts that should be undertaken to improve the access of the public to quality and affordable child care in the United States.

''(b) COLLECTION OF INFORMATION.—The Secretary may utilize the national child care data system available through resource and referral organizations at the local, State, and national level to collect the information required by subsection (a)(2).''.

SEC. 2028. DEFINITIONS.

(a) ELIGIBLE CHILDREN.—Section 658P(4)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858N(4)(B)) is amended by striking ''85 percent of the State median income'' and inserting ''income levels as established by the State, prioritized by need,''.

(b) LIMITED ENGLISH PROFICIENT.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(1) by redesignating paragraph (9) as paragraph (10); and

(2) by inserting after paragraph (8) the following:

''(9) LIMITED ENGLISH PROFICIENT.—The term 'limited English proficient' means with respect to an individual, that such individual—

''(A)(i) was not born in the United States or has a native language that is not English;

''(ii)(I) is a Native American, an Alaska Native, or a native resident of a territory or possession of the United States; and

''(II) comes from an environment in which a language that is not English has had a significant impact on such individual's level of English language proficiency; or

''(iii) is migratory, has a native language that is not English, and comes from an environment in which a language that is not English is dominant; and

''(B) has difficultly in speaking or understanding the English language to an extent that may be sufficient to deny such individual—

''(i) the ability to successfully achieve in classrooms in which the language of instruction is English; or

''(ii) the opportunity to fully participate in society.''.

SEC. 2029. WAIVER AUTHORITY TO EXPAND THE AVAILABILITY OF SERVICES UNDER CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.

(a) WAIVER AUTHORITY.—For such period up to June 30, 2006, and to such extent as the Secretary considers to be appropriate, the Secretary of Health and Human Service may waive or modify, for any affected State, and any State serving significant numbers of individuals adversely affected by a Gulf hurricane disaster, provisions of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.)—

(1) relating to Federal income limitations on eligibility to receive child care services for which assistance is provided under such Act,

(2) relating to work requirements applicable to eligibility to receive child care services for which assistance is provided under such Act,

(3) relating to limitations on the use of funds under section 658G of the Child Care and Development Block Grant Act of 1990, and

(4) preventing children designated as evacuees from receiving priority for child care services provided under such Act, except that children residing in a State and currently receiving services should not lose such services in order to accommodate evacuee children,

for purposes of easing State fiscal burdens and providing child care services to children orphaned, or of families displaced, as a result of a Gulf hurricane disaster.

(b) DEFINITIONS.—For purposes of this section:

(1) AFFECTED STATE.—The term ''affected State'' means the State of Alabama, Florida, Louisiana, Mississippi, or Texas.

(2) GULF HURRICANE DISASTER.—The term ''Gulf hurricane disaster'' means a major disaster that the President declared to exist, in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, and that was caused by Hurricane Katrina or Hurricane Rita.

(3) INDIVIDUAL ADVERSELY AFFECTED BY A GULF HURRICANE DISASTER.—The term ''individual adversely affected by a Gulf hurricane disaster'' means an individual who, on August 29, 2005, was living, working, or attending school in an area in which the President has declared to exist a Gulf hurricane disaster.

PART 4—STATE AND LOCAL FLEXIBILITY

SEC. 2041. PROGRAM COORDINATION DEMONSTRATION PROJECTS.

(a) PURPOSE.—The purpose of this section is to establish a program of demonstration projects in a State or portion of a State to coordinate multiple public assistance, workforce development, and other programs, for the purpose of supporting working individuals and families, helping families escape welfare dependency, promoting child well-being, or helping build stronger families, using innovative approaches to strengthen service systems and provide more coordinated and effective service delivery.

(b) DEFINITIONS.—In this section:

(1) ADMINISTERING SECRETARY.—The term ''administering Secretary'' means, with respect to a qualified program, the head of the Federal agency responsible for administering the program.

(2) QUALIFIED PROGRAM.—The term ''qualified program'' means—

(A) activities funded under title I of the Workforce Investment Act of 1998, except subtitle C of such title;

(B) a demonstration project authorized under section 505 of the Family Support Act of 1988;

(C) activities funded under the Wagner-Peyser Act;

(D) activities funded under the Adult Education and Family Literacy Act; or

(E) activities funded under the Child Care and Development Block Grant Act of 1990;

(c) APPLICATION REQUIREMENTS.—The head of a State entity or of a sub-State entity administering 2 or more qualified programs proposed to be included in a demonstration project under this section shall (or, if the project is proposed to include qualified programs administered by 2 or more such entities, the heads of the administering entities (each of whom shall be considered an applicant for purposes of this section) shall jointly) submit to the administering Secretary of each such program an application that contains the following:

(1) PROGRAMS INCLUDED.—A statement identifying each qualified program to be included in the project, and describing how the purposes of each such program will be achieved by the project.

(2) POPULATION SERVED.—A statement identifying the population to be served by the project and specifying the eligibility criteria to be used.

(3) DESCRIPTION AND JUSTIFICATION.—A detailed description of the project, including—

(A) a description of how the project is expected to improve or enhance achievement of the purposes of the programs to be included in the project, from the standpoint of quality, of cost-effectiveness, or of both; and

(B) a description of the performance objectives for the project, including any proposed modifications to the performance measures and reporting requirements used in the programs.

(4) WAIVERS REQUESTED.—A description of the statutory and regulatory requirements with respect to which a waiver is requested in order to carry out the project, and a justification of the need for each such waiver.

(5) COST NEUTRALITY.—Such information and assurances as necessary to establish to

the satisfaction of the administering Secretary, in consultation with the Director of the Office of Management and Budget, that the proposed project is reasonably expected to meet the applicable cost neutrality requirements of subsection (d)(4).

(6) EVALUATION AND REPORTS.—An assurance that the applicant will conduct ongoing and final evaluations of the project, and make interim and final reports to the administering Secretary, at such times and in such manner as the administering Secretary may require.

(7) OTHER INFORMATION AND ASSURANCES.—Such other information and assurances as the administering Secretary may require.

(d) APPROVAL OF APPLICATIONS.—

(1) IN GENERAL.—The administering Secretary with respect to a qualified program that is identified in an application submitted pursuant to subsection (c) may approve the application and, except as provided in paragraph (2), waive any requirement applicable to the program, to the extent consistent with this section and necessary and appropriate for the conduct of the demonstration project proposed in the application, if the administering Secretary determines that the project—

(A) has a reasonable likelihood of achieving the objectives of the programs to be included in the project;

(B) may reasonably be expected to meet the applicable cost neutrality requirements of paragraph (4), as determined by the Director of the Office of Management and Budget; and

(C) includes the coordination of 2 or more qualified programs.

(2) PROVISIONS EXCLUDED FROM WAIVER AUTHORITY.—A waiver shall not be granted under paragraph (1)—

(A) with respect to any provision of law relating to—

(i) civil rights or prohibition of discrimination;

(ii) purposes or goals of any program;

(iii) maintenance of effort requirements;

(iv) health or safety;

(v) labor standards under the Fair Labor Standards Act of 1938; or

(vi) environmental protection;

(B) with respect to section 241(a) of the Adult Education and Family Literacy Act;

(C) in the case of a program under the Workforce Investment Act, with respect to any requirement the waiver of which would violate section 189(i)(4)(A)(i) of such Act;

(D) with respect to any requirement that a State pass through to a sub-State entity part or all of an amount paid to the State;

(E) if the waiver would waive any funding restriction or limitation provided in an appropriations Act, or would have the effect of transferring appropriated funds from 1 appropriations account to another; or

(F) except as otherwise provided by statute, if the waiver would waive any funding restriction applicable to a program authorized under an Act which is not an appropriations Act (but not including program requirements such as application procedures, performance standards, reporting requirements, or eligibility standards), or would have the effect of transferring funds from a program for which there is direct spending (as defined in section 250(c)(8) of the Balanced Budget and Emergency Deficit Control Act of 1985) to another program.

(3) AGREEMENT OF EACH ADMINISTERING SECRETARY REQUIRED.—

(A) IN GENERAL.—An applicant may not conduct a demonstration project under this section unless each administering Secretary with respect to any program proposed to be included in the project has approved the application to conduct the project.

(B) AGREEMENT WITH RESPECT TO FUNDING AND IMPLEMENTATION.—Before approving an application to conduct a demonstration project under this section, an administering Secretary shall have in place an agreement with the applicant with respect to the payment of funds and responsibilities required of the administering Secretary with respect to the project.

(4) COST-NEUTRALITY REQUIREMENT.—

(A) GENERAL RULE.—Notwithstanding any other provision of law (except subparagraph (B)), the total of the amounts that may be paid by the Federal Government for a fiscal year with respect to the programs in the State in which an entity conducting a demonstration project under this section is located that are affected by the project shall not exceed the estimated total amount that the Federal Government would have paid for the fiscal year with respect to the programs if the project had not been conducted, as determined by the Director of the Office of Management and Budget.

(B) SPECIAL RULE.—If an applicant submits to the Director of the Office of Management and Budget a request to apply the rules of this subparagraph to the programs in the State in which the applicant is located that are affected by a demonstration project proposed in an application submitted by the applicant pursuant to this section, during such period of not more than 5 consecutive fiscal years in which the project is in effect, and the Director determines, on the basis of supporting information provided by the applicant, to grant the request, then, notwithstanding any other provision of law, the total of the amounts that may be paid by the Federal Government for the period with respect to the programs shall not exceed the estimated total amount that the Federal Government would have paid for the period with respect to the programs if the project had not been conducted.

(5) 90-DAY APPROVAL DEADLINE.—

(A) IN GENERAL.—If an administering Secretary receives an application to conduct a demonstration project under this section and does not disapprove the application within 90 days after the receipt, then—

(i) the administering Secretary is deemed to have approved the application for such period as is requested in the application, except to the extent inconsistent with subsection (e); and

(ii) any waiver requested in the application which applies to a qualified program that is identified in the application and is administered by the administering Secretary is deemed to be granted, except to the extent inconsistent with paragraph (2) or (4) of this subsection.

(B) DEADLINE EXTENDED IF ADDITIONAL INFORMATION IS SOUGHT.—The 90-day period referred to in subparagraph (A) shall not include any period that begins with the date the Secretary requests the applicant to provide additional information with respect to the application and ends with the date the additional information is provided.

(e) DURATION OF PROJECTS.—A demonstration project under this section may be approved for a term of not more than 5 years.

(f) REPORTS TO CONGRESS.—

(1) REPORT ON DISPOSITION OF APPLICATIONS.—Within 90 days after an administering Secretary receives an application submitted pursuant to this section, the administering Secretary shall submit to each Committee of the Congress which has jurisdiction over a qualified program identified in the application notice of the receipt, a description of the decision of the administering Secretary with respect to the application, and the reasons for approving or disapproving the application.

(2) REPORTS ON PROJECTS.—Each administering Secretary shall provide annually to the Congress a report concerning demonstration projects approved under this section, including—

(A) the projects approved for each applicant;

(B) the number of waivers granted under this section, and the specific statutory provisions waived;

(C) how well each project for which a waiver is granted is improving or enhancing program achievement from the standpoint of quality, cost-effectiveness, or both;

(D) how well each project for which a waiver is granted is meeting the performance objectives specified in subsection (c)(3)(B);

(E) how each project for which a waiver is granted is conforming with the cost-neutrality requirements of subsection (d)(4); and

(F) to the extent the administering Secretary deems appropriate, recommendations for modification of programs based on outcomes of the projects.

PART 5—EFFECTIVE DATE

SEC. 2051. EFFECTIVE DATE.

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

(b) EXCEPTION.—In the case of a State plan under part A of title IV of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this subtitle, the effective date of the amendments imposing the additional requirements shall be 3 months after the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of the session shall be considered to be a separate regular session of the State legislature.

Subtitle B—Higher Education

SEC. 2101. SHORT TITLE.

This subtitle may be cited as the ''Higher Education Budget Reconciliation Act of 2005''.

PART 1—AMENDMENTS TO THE HIGHER EDUCATION ACT OF 1965

SEC. 2111. REFERENCES; EFFECTIVE DATE.

(a) REFERENCES.—Except as otherwise expressly provided, whenever in this part 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 Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

(b) EFFECTIVE DATE.—Except as otherwise provided in this part, the amendments made by this part shall be effective on the date of enactment of this Act.

SEC. 2112. MODIFICATION OF 50/50 RULE.

Section 102(a)(3) (20 U.S.C. 1002(a)(3)) is amended—

(1) in subparagraph (A), by inserting ''(excluding courses offered by telecommunications as defined in section 484(*l*)(4))'' after ''courses by correspondence''; and

(2) in subparagraph (B), by inserting ''(excluding courses offered by telecommunications as defined in section 484(*l*)(4))'' after ''correspondence courses''.

SEC. 2113. REAUTHORIZATION OF FEDERAL FAMILY EDUCATION LOAN PROGRAM.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 421(b)(5) (20 U.S.C. 1071(b)(5)) is amended by striking ''an administrative cost allowance'' and inserting ''a loan processing and issuance fee''.

(b) EXTENSION OF AUTHORITY.—

(1) FEDERAL INSURANCE LIMITATIONS.—Section 424(a) (20 U.S.C. 1074(a)) is amended—

(A) by striking ''2004'' and inserting ''2012''; and

(B) by striking ''2008'' and inserting ''2016''.

(2) GUARANTEED LOANS.—Section 428(a)(5) (20 U.S.C. 1078(a)(5)) is amended—

(A) by striking ''2004'' and inserting ''2012''; and

(B) by striking ''2008'' and inserting ''2016''.

(3) CONSOLIDATION LOANS.—Section 428C(e) (20 U.S.C. 1078–3(e)) is amended by striking ''2004'' and inserting ''2012''.

SEC. 2114. LOAN LIMITS.

(a) FEDERAL INSURANCE LIMITS.—Section 425(a)(1)(A) (20 U.S.C. 1075(a)(1)(A)) is amended—

(1) in clause (i)(I), by striking ''$2,625'' and inserting ''$3,500''; and

(2) in clause (ii)(I), by striking ''$3,500'' and inserting ''$4,500''.

(b) GUARANTEE LIMITS.—Section 428(b)(1)(A) (20 U.S.C. 1078(b)(1)(A)) is amended—

(1) in clause (i)(I), by striking ''$2,625'' and inserting ''$3,500''; and

(2) in clause (ii)(I), by striking ''$3,500'' and inserting ''$4,500''.

(c) COUNTING OF CONSOLIDATION LOANS AGAINST LIMITS.—Section 428C(a)(3)(B) (20 U.S.C. 1078–3(a)(3)(B)) is amended by adding at the end the following new clause:

''(ii) Loans made under this section shall, to the extent used to pay off the outstanding principal balance on loans made under this title, excluding capitalized interest, be counted against the applicable limitations on aggregate indebtedness contained in sections 425(a)(2), 428(b)(1)(B), 428H(d), 455, and 464(a)(2)(B).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to any loan made, insured, or guaranteed under part B or part D of title IV of the Higher Education Act of 1965 for which the first disbursement of principal is made on or after July 1, 2007.

SEC. 2115. INTEREST RATES AND SPECIAL ALLOWANCES.

(a) FFEL INTEREST RATES.—Section 427A (20 U.S.C. 1077a(k)) is amended—

(1) in subsection (k)—

(A) by striking '', AND BEFORE JULY 1, 2006'' in the heading of such subsection; and

(B) by striking '', and before July 1, 2006,'' each place it appears in paragraphs (1), (2), and (3);

(2) by striking subsection (*l*); and

(3) by redesignating subsections (m) and (n) as subsections (*l*) and (m), respectively.

(b) DIRECT LOAN INTEREST RATES.—Section 455(b) (20 U.S.C. 1087e(b)) is amended—

(1) in paragraph (6)—

(A) by striking '', AND BEFORE JULY 1, 2006'' in the heading of such paragraph; and

(B) by striking '', and before July 1, 2006,'' each place it appears in subparagraphs (A), (B), and (C);

(2) by striking paragraph (7); and

(3) by redesignating paragraphs (8) and (9) as paragraphs (7) and (8), respectively.

(c) CONSOLIDATION LOAN INTEREST RATES.—

(1) FFEL LOANS.—Section 427A(k) (20 U.S.C. 1077a(k)) is further amended—

(A) in the heading of paragraph (4), by inserting ''BEFORE JULY 1, 2006'' after ''LOANS'';

(B) by redesignating paragraph (5) as paragraph (6); and

(C) by inserting after paragraph (4) the following:

''(5) CONSOLIDATION LOANS ON OR AFTER JULY 1, 2006.—

''(A) BORROWER ELECTION.—With respect to any consolidation loan under section 428C for which the application is received by an eligible lender on or after July 1, 2006, the applicable rate of interest shall, at the election of the borrower at the time of application for the loan, be either at the rate determined under subparagraph (B) or the rate determined under subparagraph (C).

''(B) VARIABLE RATE.—Except as provided in subparagraph (D), the rate determined under this subparagraph shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and, for such 12-month period, not be more than—

''(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

''(ii) 2.3 percent,

except that such rate shall not exceed 8.25 percent.

''(C) FIXED RATE.—Except as provided in subparagraph (D), the rate determined under this subparagraph shall be determined for the duration of the term of the loan on the July 1 that is or precedes the date on which the application is received by an eligible lender, and shall be, for such duration, not more than—

''(i) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to the June 1 immediately preceding such July 1; plus

''(ii) 3.3 percent,

except that such rate shall not exceed 8.25 percent.

''(D) CONSOLIDATION OF PLUS LOANS.—In the case of any such consolidation loan that is used to repay loans each of which was made under section 428B or was a Federal Direct PLUS Loan (or both), the rates determined under clauses (B) and (C) shall be determined—

''(i) by substituting '3.1 percent' for '2.3 percent';

''(ii) by substituting '4.1 percent' for '3.3 percent'; and

''(iii) by substituting '9.0 percent' for '8.25 percent'.''.

(2) DIRECT LOANS.—Section 455(b)(6) (20 U.S.C. 1087e(b)(6)) is further amended—

(A) in the heading of subparagraph (D), by inserting ''BEFORE JULY 1, 2006'' after ''LOANS''

(B) by redesignating subparagraph (E) as subparagraph (F); and

(C) by inserting after subparagraph (D) the following:

''(E) CONSOLIDATION LOANS ON OR AFTER JULY 1, 2006.—

''(i) BORROWER ELECTION.—Notwithstanding the preceding paragraphs of this subsection, with respect to any Federal Direct Consolidation Loan for which the application is received by the Secretary on or after July 1, 2006, the applicable rate of interest shall, at the election of the borrower at the time of application for the loan, be either at the rate determined under clause (ii) or the rate determined under clause (iii).

''(ii) VARIABLE RATE.—Except as provided in clause (iv), the rate determined under this clause shall, during any 12-month period beginning on July 1 and ending on June 30, be determined on the preceding June 1 and, for such 12-month period, be equal to—

''(I) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to such June 1; plus

''(II) 2.3 percent,

except that such rate shall not exceed 8.25 percent.

''(iii) FIXED RATE.—Except as provided in clause (iv), the rate determined under this clause shall be determined for the duration of the term of the loan on the July 1 that is or precedes the date on which the application is received by the Secretary, and shall be, for such duration, equal to—

''(I) the bond equivalent rate of 91-day Treasury bills auctioned at the final auction held prior to the June 1 immediately preceding such July 1; plus

''(II) 3.3 percent,

except that such rate shall not exceed 8.25 percent.

''(iv) CONSOLIDATION OF PLUS LOANS.—In the case of any such Federal Direct Consolidation Loan that is used to repay loans each of which was made under section 428B or was a Federal Direct PLUS Loan (or both), the rates determined under clauses (ii) and (iii) shall be determined—

''(I) by substituting '3.1 percent' for '2.3 percent';

''(II) by substituting '4.1 percent' for '3.3 percent'; and

''(III) by substituting '9.0 percent' for '8.25 percent'.''.

(d) CONSOLIDATION LOAN CONFORMING AMENDMENT.—Section 428C(c)(1)(A)(ii) (20 U.S.C. 1078–3(c)(1)(A)(ii)) is amended by striking ''section 427A(*l*)(3)'' and inserting ''section 427A(k)(5)''.

(e) CONFORMING AMENDMENTS FOR SPECIAL ALLOWANCES.—

(1) AMENDMENT.—Subparagraph (I) of section 438(b)(2) (20 U.S.C. 1087–1(b)(2)) is amended—

(A) by striking clause (ii) and inserting the following:

''(ii) IN SCHOOL AND GRACE PERIOD.—In the case of any loan for which the first disbursement is made on or after January 1, 2000, and for which the applicable interest rate is described in section 427A(k)(2), clause (i)(III) of this subparagraph shall be applied by substituting '1.74 percent' for '2.34 percent'.'';

(B) in clause (iii),

(i) by striking ''or (*l*)(2)''; and

(ii) by striking '', subject to clause (v) of this subparagraph'';

(C) in clause (iv)—

(i) by striking ''or (*l*)(3)'' and inserting ''or (k)(5)''; and

(ii) by striking '', subject to clause (vi) of this subparagraph''; and

(D) by striking clauses (v), (vi), and (vii) and inserting the following:

''(v) RECAPTURE OF EXCESS INTEREST.—

''(I) EXCESS CREDITED.—With respect to a loan on which the applicable interest rate is determined under section 427A(k) and for which the first disbursement of principal is made on or after July 1, 2006, if the applicable interest rate for any 3-month period exceeds the special allowance support level applicable to such loan under this subparagraph for such period, then an adjustment shall be made by calculating the excess interest in the amount computed under subclause (II) of this clause, and by crediting the excess interest to the Government not less often than annually.

''(II) CALCULATION OF EXCESS.—The amount of any adjustment of interest on a loan to be made under this subsection for any quarter shall be equal to—

''(aa) the applicable interest rate minus the special allowance support level determined under this subparagraph; multiplied by

''(bb) the average daily principal balance of the loan (not including unearned interest added to principal) during such calendar quarter; divided by

''(cc) four.

''(III) SPECIAL ALLOWANCE SUPPORT LEVEL.—For purposes of this clause, the term 'special allowance support level' means, for any loan, a number expressed as a percentage equal to the sum of the rates determined under subclauses (I) and (III) of clause (i), and applying any substitution rules applicable to such loan under clauses (ii), (iii), and (iv) in determining such sum.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall not apply with respect to any special allowance payment

made under section 438 of the Higher Education Act of 1965 (20 U.S.C 1087–1) before July 1, 2006.

SEC. 2116. ADDITIONAL LOAN TERMS AND CONDITIONS.

(a) FEDERAL DEFAULT FEES.—

(1) IN GENERAL.—Subparagraph (H) of section 428(b)(1) (20 U.S.C. 1078(b)(1)(H)) is amended to read as follows:

''(H) provides—

''(i) for loans for which the first disbursement of principal is made before July, 1, 2006, for the collection of a single insurance premium equal to not more than 1.0 percent of the principal amount of the loan, by deduction proportionately from each installment payment of the proceeds of the loan to the borrower, and ensures that the proceeds of the premium will not be used for incentive payments to lenders; or

''(ii) for loans for which the first disbursement of principal is made on or after July 1, 2006, for the collection and deposit into the Federal Student Loan Reserve Fund under section 422A of a Federal default fee of 1.0 percent of the principal amount of such loan, which shall be deducted proportionately from each installment payment of the proceeds of the loan to the borrower prior to payment to the borrower, and ensures that the proceeds of the Federal default fee will not be used for incentive payments to lenders;''.

(2) UNSUBSIDIZED LOANS.—Section 428H(h) (20 U.S.C. 1078–8(h)) is amended by adding at the end the following new sentence: ''Effective for loans for which the first disbursement of principal is made on or after July 1, 2006, in lieu of the insurance premium authorized under the preceding sentence, each State or nonprofit private institution or organization having an agreement with the Secretary under section 428(b)(1) shall collect and deposit into the Federal Student Loan Reserve Fund under section 422A a Federal default fee of 1.0 percent of the principal amount of the loan, obtained by deduction proportionately from each installment payment of the proceeds of the loan to the borrower. The Federal default fee shall not be used for incentive payments to lenders.''.

(3) VOLUNTARY FLEXIBLE AGREEMENTS.—Section 428A(a)(1) (20 U.S.C. 1078–1(a)(1)) is amended—

(A) by striking ''or'' at the end of subparagraph (A);

(B) by striking the period at the end of subparagraph (B) and inserting ''; or''; and

(C) by adding at the end the following new subparagraph:

''(C) the Federal default fee required by section 428(b)(1)(H) and the second sentence of section 428H(h).''.

(b) DISBURSEMENT.—Section 428(b)(1)(N) (20 U.S.C. 1078(b)(1)(N)) is amended—

(1) in clause (i), by inserting ''(including an eligible foreign institution, except as provided in clause (ii))'' after ''institution''; and

(2) in clause (ii), by striking ''or at an eligible foreign institution''.

(c) REPAYMENT PLANS.—

(1) FFEL LOANS.—Section 428(b)(9)(A) (20 U.S.C. 1078(b)(9)(A)) is amended—

(A) by inserting before the semicolon at the end of clause (ii) the following: '', and the Secretary may not restrict the proportions or ratios by which such payments may be graduated with the informed agreement of the borrower'';

(B) by striking ''and'' at the end of clause (iii);

(C) by redesignating clause (iv) as clause (v); and

(D) by inserting after clause (iii) the following new clause:

''(iv) a delayed repayment plan under which the borrower makes scheduled payments for not more than 2 years that are annually not less than the amount of interest due or $600, whichever is greater, and then makes payments in accordance with clause (i), (ii), or (iii); and''.

(2) DIRECT LOANS.—Section 455(d)(1) (20 U.S.C. 1087e(d)(1)) is amended—

(A) by redesignating subparagraph (D) as subparagraph (E); and

(B) by striking subparagraphs (A), (B), and (C) and inserting the following:

''(A) a standard repayment plan, consistent with subsection (a)(1) of this section and with section 428(b)(9)(A)(i);

''(B) a graduated repayment plan, consistent with section 428(b)(9)(A)(ii);

''(C) an extended repayment plan, consistent with section 428(b)(9)(A)(v), except that the borrower shall annually repay a minimum amount determined by the Secretary in accordance with section 428(b)(1)(L);

''(D) a delayed repayment plan under which the borrower makes scheduled payments for not more than 2 years that are annually not less than the amount of interest due or $600, whichever is greater, and then makes payments in accordance with subparagraph (A), (B), or (C); and''.

(d) ORIGINATION FEES.—

(1) FFEL PROGRAM.—Paragraph (2) of section 438(c) (20 U.S.C. 1087–1(c)) is amended—

(A) by striking the designation and heading of such paragraph and inserting the following:

''(2) AMOUNT OF ORIGINATION FEES.—

''(A) IN GENERAL.—''; and

(B) by adding at the end the following new subparagraph:

''(B) SUBSEQUENT REDUCTIONS.—Subparagraph (A) shall be applied to loans made under this part (other than loans made under sections 428C and 439(o))—

''(i) by substituting '2.0 percent' for '3.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2006, and before July 1, 2007;

''(ii) by substituting '1.5 percent' for '3.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2007, and before July 1, 2008;

''(iii) by substituting '1.0 percent' for '3.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2008, and before July 1, 2009;

''(iv) by substituting '0.5 percent' for '3.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2009, and before July 1, 2010; and

''(v) by substituting '0.0 percent' for '3.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2010.''.

(2) DIRECT LOAN PROGRAM.—Subsection (c) of section 455 (20 U.S.C. 1087e(c)) is amended to read as follows:

''(c) LOAN FEE.—

''(1) IN GENERAL.—The Secretary shall charge the borrower of a loan made under this part an origination fee of 4.0 percent of the principal amount of loan.

''(2) SUBSEQUENT REDUCTION.—Paragraph (1) shall be applied to loans made under this part, other than Federal Direct Consolidation loans and Federal Direct PLUS loans—

''(A) by substituting 'not more or less than 3.0 percent' for '4.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2006, and before July 1, 2007;

''(B) by substituting 'not more or less than 2.5 percent' for '4.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2007, and before July 1, 2008;

''(C) by substituting 'not more or less than 2.0 percent' for '4.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2008, and before July 1, 2009;

''(D) by substituting 'not more or less than 1.5 percent' for '4.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2009, and before July 1, 2010; and

''(E) by substituting 'not more or less than 1.0 percent' for '4.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2010.

''(3) WAIVERS AND REPAYMENT INCENTIVES PROHIBITED.—Beginning with loans made on or after July 1, 2006, the Secretary is prohibited—

''(A) from waiving any amount of the loan fee prescribed under this section as part of a repayment incentive in section 455(b)(7); and

''(B) from providing any repayment incentive before the borrower enters repayment.''.

(e) CONSOLIDATION LOAN OFFSET CHARGE.—

(1) FFEL CONSOLIDATION LOANS.—Section 438(c) (20 U.S.C. 1087–1(c)) is further amended—

(A) in paragraph (1)(A), by inserting after ''paragraph (2) of this subsection'' the following: ''and the amount the lender is authorized to collect as a consolidation loan offset charge in accordance with paragraph (9) of this subsection'';

(B) in paragraph (1)(B)—

(i) by inserting ''and the consolidation loan offset charge'' after ''origination fee''; and

(ii) by inserting ''and consolidation loan offset charges'' after ''origination fees'';

(C) in paragraphs (3) and (4), by inserting ''and consolidation loan offset charge'' after ''origination fee'' each place it appears;

(D) in paragraph (5)—

(i) by inserting ''or consolidation loan offset charge'' after ''origination fee''; and

(ii) by inserting ''or consolidation loan offset charges'' after ''origination fees'';

(E) in paragraph (7)—

(i) by inserting ''and consolidation loan offset charges'' after ''origination fees''; and

(ii) by striking ''428A or''; and

(F) by adding at the end the following new paragraph:

''(9) CONSOLIDATION LOAN OFFSET CHARGE.—For any loan under section 428C, the lender is authorized to collect a consolidation loan offset charge in an amount not to exceed 1.0 percent of the principal amount of the loan. Such amount may be added to the principal amount of the loan for repayment by the borrower.''.

(2) DIRECT LOANS.—Section 455(c) (20 U.S.C. 1087e(c)), as amended by subsection (d)(2) of this section, is further amended by adding at the end the following new paragraph:

''(4) CONSOLIDATION LOAN OFFSET CHARGES.—For any Federal Direct Consolidation Loan, the Secretary shall collect a consolidation loan offset charge in an amount not more or less than 1.0 percent of the principal amount of the loan. Such amount may be added to the principal amount of the loan for repayment by the borrower. Such amount is not subject to the requirements of paragraph (3) of this subsection.''.

SEC. 2117. CONSOLIDATION LOAN CHANGES.

(a) CROSS-CONSOLIDATION BETWEEN PROGRAMS.—Section 428C (20 U.S.C. 1078–3) is amended—

(1) in subsection (a)(3)(B)(i)—

(A) by inserting ''or under section 455(g)'' after ''under this section'' both places it appears;

(B) by inserting ''under both sections'' after ''terminates''

(C) by striking ''and'' at the end of subclause (III);

(D) by striking the period at the end of subclause (IV) and inserting ''; and''; and

(E) by adding at the end the following new subclause:

''(V) an individual may obtain a subsequent consolidation loan under section 455(g) only for the purposes of obtaining an income contingent repayment plan, and only if the loan has been submitted to the guaranty agency for default aversion.''; and

(2) in subsection (b)(5), by striking the first sentence and inserting the following: ''In the event that a lender with an agreement under subsection (a)(1) of this section denies a consolidation loan application submitted to it by an eligible borrower under this section, or denies an application submitted to it by such a borrower for a consolidation loan with income-sensitive repayment terms, the Secretary shall offer any such borrower who applies for it, a Federal Direct Consolidation loan. The Secretary shall offer such a loan to a borrower who has defaulted, for the purpose of resolving the default.''.

(b) REPEAL OF IN-SCHOOL CONSOLIDATION.—

(1) DEFINITION OF REPAYMENT PERIOD.—Section 428(b)(7)(A) (20 U.S.C. 1078(b)(7)(A)) is amended by striking ''shall begin—'' and all that follows through ''earlier date.'' and inserting the following: ''shall begin the day after 6 months after the date the student ceases to carry at least one-half the normal full-time academic workload (as determined by the institution).''.

(2) CONFORMING CHANGE TO ELIGIBLE BORROWER DEFINITION.—Section 428C(a)(3)(A)(ii)(I) (20 U.S.C. 1078–3(a)(3)(A)(ii)(I)) is amended by inserting ''as determined under section 428(b)(7)(A)'' after ''repayment status''.

(c) INTEREST PAYMENT REBATE FEE.—Section 428C(f)(2) (20 U.S.C. 1078–2(f)(2)) is amended—

(1) by striking ''SPECIAL RULE.—'' and inserting ''SPECIAL RULES.—(A)''; and

(2) by adding at the end the following new subparagraph:

''(B) For consolidation loans based on applications received on or after July 1, 2006, if 90 percent or more of the total principal and accrued unpaid interest outstanding on the loans held, directly or indirectly, by any holder is comprised of principal and accrued unpaid interest owed on consolidation loans, the rebate described in paragraph (1) for such holder shall be equal to 1.30 percent of the principal plus accrued unpaid interest on such loans.''.

(d) ADDITIONAL AMENDMENTS.—Section 428C (20 U.S.C. 1078–3) is amended—

(1) in subsection (a)(3), by striking subparagraph (C); and

(2) in subsection (b)(1)—

(A) by striking everything after ''under this section'' the first place it appears in subparagraph (A) and inserting the following: ''and that, if all the borrower's loans under this part are held by a single holder, the borrower has notified such holder that the borrower is seeking to obtain a consolidation loan under this section;'';

(B) by striking ''(i) which'' and all that follows through ''and (ii)'' in subparagraph (C);

(C) by striking ''and'' at the end of subparagraph (E);

(D) by redesignating subparagraph (F) as subparagraph (G); and

(E) by inserting after subparagraph (E) the following new subparagraph:

''(F) that the lender of the consolidation loan shall, upon application for such loan, provide the borrower with a clear and conspicuous notice of at least the following information:

''(i) the effects of consolidation on total interest to be paid, fees to be paid, and length of repayment;

''(ii) the effects of consolidation on a borrower's underlying loan benefits, including loan forgiveness, cancellation, deferment, and reduced interest rates on those underlying loans;

''(iii) the ability of the borrower to prepay the loan, pay on a shorter schedule, and to change repayment plans;

''(iv) that borrower benefit programs may vary among different loan holders, and a description of how the borrower benefits may vary among different loan holders;

''(v) the tax benefits for which borrowers may be eligible;

''(vi) the consequences of default; and

''(vii) that by making the application the applicant is not obligated to agree to take the consolidation loan; and''.

(e) EFFECTIVE DATE FOR SINGLE HOLDER AMENDMENT.—The amendment made by subsection (d)(2)(A) shall apply with respect to any loan made under section 428C of the Higher Education Act of 1965 (20 U.S.C. 1078–3) for which the application is received by an eligible lender on or after July 1, 2006.

(f) CONFORMING AMENDMENTS TO DIRECT LOAN PROGRAM.—Section 455 (20 U.S.C. 1087e) is amended

(1) in subsection (a)(1) by inserting ''428C,'' after ''428B,'';

(2) in subsection (a)(2)—

(A) by striking ''and'' at the end of subparagraph (B);

(B) by redesignating subparagraph (C) as subparagraph (D); and

(C) by inserting after subparagraph (B) the following:

''(C) section 428C shall be known as 'Federal Direct Consolidation Loans'; and ''; and

(3) in subsection (g)—

(A) by striking the second sentence; and

(B) by adding at the end the following new sentences: ''To be eligible for a consolidation loan under this part, a borrower must meet the eligibility criteria set forth in section 428C(a)(3). The Secretary, upon application for such a loan, shall comply with the requirements applicable to a lender under section 428C(b)(1)(F).''.

SEC. 2118. DEFERMENT OF STUDENT LOANS FOR MILITARY SERVICE.

(a) FEDERAL FAMILY EDUCATION LOANS.—Section 428(b)(1)(M) (20 U.S.C. 1078(b)(1)(M)) is amended—

(1) by striking ''or'' at the end of clause (ii);

(2) by redesignating clause (iii) as clause (iv); and

(3) by inserting after clause (ii) the following new clause:

''(iii) not in excess of 3 years during which the borrower—

''(I) is serving on active duty during a war or other military operation or national emergency; or

''(II) is performing qualifying National Guard duty during a war or other military operation or national emergency; or''.

(b) DIRECT LOANS.—Section 455(f)(2) (20 U.S.C. 1087e(f)(2)) is amended—

(1) by redesignating subparagraph (C) as subparagraph (D); and

(2) by inserting after subparagraph (B) the following new subparagraph:

''(C) not in excess of 3 years during which the borrower—

''(i) is serving on active duty during a war or other military operation or national emergency; or

''(ii) is performing qualifying National Guard duty during a war or other military operation or national emergency; or''.

(c) PERKINS LOANS.—Section 464(c)(2)(A) (20 U.S.C. 1087dd(c)(2)(A)) is amended—

(1) by redesignating clauses (iii) and (iv) as clauses (iv) and (v), respectively; and

(2) by inserting after clause (ii) the following new clause:

''(iii) not in excess of 3 years during which the borrower—

''(I) is serving on active duty during a war or other military operation or national emergency; or

''(II) is performing qualifying National Guard duty during a war or other military operation or national emergency;''.

(d) DEFINITIONS.—Section 481 (20 U.S.C. 1088) is amended by adding at the end the following new subsection:

''(d) DEFINITIONS FOR MILITARY DEFERMENTS.—For purposes of parts B, D, and E of this title:

''(1) ACTIVE DUTY.—The term 'active duty' has the meaning given such term in section 101(d)(1) of title 10, United States Code, except that such term does not include active duty for training or attendance at a service school.

''(2) MILITARY OPERATION.—The term 'military operation' means a contingency operation as such term is defined in section 101(a)(13) of title 10, United States Code.

''(3) NATIONAL EMERGENCY.—The term 'national emergency' means the national emergency by reason of certain terrorist attacks declared by the President on September 14, 2001, or subsequent national emergencies declared by the President by reason of terrorist attacks.

''(4) SERVING ON ACTIVE DUTY.—The term 'serving on active duty during a war or other military operation or national emergency' means service by an individual who is—

''(A) a Reserve of an Armed Force ordered to active duty under section 12301(a), 12301(g), 12302, 12304, or 12306 of title 10, United States Code, or any retired member of an Armed Force ordered to active duty under section 688 of such title, for service in connection with a war or other military operation or national emergency, regardless of the location at which such active duty service is performed; and

''(B) any other member of an Armed Force on active duty in connection with such emergency or subsequent actions or conditions who has been assigned to a duty station at a location other than the location at which such member is normally assigned.

''(5) QUALIFYING NATIONAL GUARD DUTY.—The term 'qualifying National Guard duty during a war or other military operation or national emergency' means service as a member of the National Guard on full-time National Guard duty (as defined in section 101(d)(5) of title 10, United States Code) under a call to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days under section 502(f) of title 32, United States Code, in connection with a war, other military operation, or a national emergency declared by the President and supported by Federal funds.''.

(e) RULE OF CONSTRUCTION.—Nothing in the amendments made by this section shall be construed to authorize any refunding of any repayment of a loan.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to loans for which the first disbursement is made on or after July 1, 1993, to an individual who is a new borrower (within the meaning of section 103 of the Higher Education Act of 1965 (20 U.S.C. 1003)) on or after such date.

SEC. 2119. LOAN FORGIVENESS FOR SERVICE IN AREAS OF NATIONAL NEED.

Section 428K (20 U.S.C. 1078–11) is amended to read as follows:

''SEC. 428K. LOAN FORGIVENESS FOR SERVICE IN AREAS OF NATIONAL NEED.

''(a) PURPOSES.—The purposes of this section are—

''(1) to encourage highly trained individuals to enter and continue in service in areas of national need; and

''(2) to reduce the burden of student debt for Americans who dedicate their careers to service in areas of national need.

''(b) PROGRAM AUTHORIZED.—

''(1) IN GENERAL.—The Secretary is authorized to carry out a program of assuming the obligation to repay, pursuant to subsections (c)(2) and (d), a qualified loan amount for a loan made, insured, or guaranteed under this part or part D (other than loans made under section 428B and 428C and comparable loans made under part D), for any new borrower after the date of enactment of the Higher Education Budget Reconciliation Act of 2005, who—

''(A) has been employed full-time for at least 5 consecutive complete school, academic, or calendar years, as appropriate, in an area of national need described in subsection (c); and

''(B) is not in default on a loan for which the borrower seeks forgiveness.

''(2) AWARD BASIS.—Loan repayment under this section shall be on a first-come, first-served basis pursuant to the designation under subsection (c) and subject to the availability of appropriations.

''(3) REGULATIONS.—The Secretary is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

''(c) AREAS OF NATIONAL NEED.—

''(1) STATUTORY CATEGORIES.—For purposes of this section, an individual shall be treated as employed in an area of national need if the individual is employed full-time and is any of the following:

''(A) EARLY CHILDHOOD EDUCATORS.—An individual who is employed as an early childhood educator in an eligible preschool program or child care facility in a low-income community, and who is involved directly in the care, development and education of infants, toddlers, or young children through age five.

''(B) NURSES.—An individual who is employed—

''(i) as a nurse in a clinical setting; or

''(ii) as a member of the nursing faculty at an accredited school of nursing (as those terms are defined in section 801 of the Public Health Service Act (42 U.S.C. 296)).

''(C) FOREIGN LANGUAGE SPECIALISTS.—An individual who has obtained a baccalaureate degree in a critical foreign language and is employed—

''(i) in an elementary or secondary school as a teacher of a critical foreign language; or

''(ii) in an agency of the United States Government in a position that regularly requires the use of such critical foreign language.

''(D) LIBRARIANS.—An individual who is employed as a librarian in—

''(i) a public library that serves a geographic area within which the public schools have a combined average of 30 percent or more of their total student enrollments composed of children counted under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965; or

''(ii) an elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title I of the Elementary and Secondary Education Act of 1965, and which for the purpose of this paragraph and for that year has been determined by the Secretary (pursuant to regulations and after consultation with the State educational agency of the State in which the school is located) to be a school in which the enrollment of children counted under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 exceeds 30 percent of the total enrollment of that school.

''(E) HIGHLY QUALIFIED TEACHERS: BILINGUAL EDUCATION AND LOW-INCOME COMMUNITIES.—An individual who—

''(i) is highly qualified as such term is defined in section 9101 of the Elementary and Secondary Education Act of 1965; and

''(ii)(I) is employed as a teacher of bilingual education; or

''(II) is employed as a teacher for service in a public or nonprofit private elementary or secondary school which is in the school district of a local educational agency which is eligible in such year for assistance pursuant to title I of the Elementary and Secondary Education Act of 1965, and which for the purpose of this paragraph and for that year has been determined by the Secretary (pursuant to regulations and after consultation with the State educational agency of the State in which the school is located) to be a school in which the enrollment of children counted under section 1113(a)(5) of the Elementary and Secondary Education Act of 1965 exceeds 40 percent of the total enrollment of that school.

''(F) FIRST RESPONDERS IN LOW-INCOME COMMUNITIES.—An individual who—

''(i) is employed as a firefighter, police officer, or emergency medical technician; and

''(ii) serves as such in a low-income community.

''(G) CHILD WELFARE WORKERS.—An individual who—

''(i) has obtained a degree in social work or a related field with a focus on serving children and families; and

''(ii) is employed in public or private child welfare services.

''(H) SPEECH-LANGUAGE PATHOLOGISTS.—An individual who is a speech-language pathologist, who is employed in an eligible preschool program or an elementary or secondary school, and who has, at a minimum, a graduate degree in speech-language pathology, or communication sciences and disorders.

''(I) ADDITIONAL AREAS OF NATIONAL NEED.—An individual who is employed in an area designated by the Secretary under paragraph (2) and has completed a baccalaureate or advanced degree related to such area.

''(2) DESIGNATION OF ADDITIONAL AREAS OF NATIONAL NEED.—After consultation with appropriate Federal, State, and community-based agencies and organizations, the Secretary shall designate additional areas of national need in which an individual may be employed full-time to be eligible for loan repayment under this section. In making such designations, the Secretary shall take into account the extent to which—

''(A) the national interest in the area is compelling;

''(B) the area suffers from a critical lack of qualified personnel; and

''(C) other Federal programs support the area concerned.

''(d) QUALIFIED LOAN AMOUNT.—Subject to the availability of appropriations, the Secretary shall repay not more than $5,000 in the aggregate of the loan obligation on a loan made under section 428 or 428H that is outstanding after the completion of the fifth consecutive school, academic, or calendar year, as appropriate, described in subsection (b)(1).

''(e) CONSTRUCTION.—Nothing in this section shall be construed to authorize the refunding of any repayment of a loan made under section 428 or 428H.

''(f) INELIGIBILITY OF NATIONAL SERVICE AWARD RECIPIENTS.—No student borrower may, for the same service, receive a benefit under both this section and subtitle D of title I of the National and Community Service Act of 1990 (42 U.S.C. 12601 et seq.).

''(g) INELIGIBILITY FOR DOUBLE BENEFITS.—No borrower may receive a reduction of loan obligations under both this section and section 428J or 460.

''(h) DEFINITIONS.—In this section

''(1) CHILD CARE FACILITY.—The term 'child care facility' means a facility, including a home, that—

''(A) provides for the education and care of children from birth through age 5; and

''(B) meets any applicable State or local government licensing, certification, approval, or registration requirements.

''(2) CRITICAL FOREIGN LANGUAGE.—The term 'critical foreign language' includes the languages of Arabic, Korean, Japanese, Chinese, Pashto, Persian-Farsi, Serbian-Croatian, Russian, Portuguese, and any other language identified by the Secretary of Education, in consultation with the Defense Language Institute, the Foreign Service Institute, and the National Security Education Program, as a critical foreign language need.

''(3) EARLY CHILDHOOD EDUCATOR.—The term 'early childhood educator' means an early childhood educator employed in an eligible preschool program who has completed a baccalaureate or advanced degree in early childhood development, early childhood education, or in a field related to early childhood education.

''(4) ELIGIBLE PRESCHOOL PROGRAM.—The term 'eligible preschool program' means a program that provides for the care, development, and education of infants, toddlers, or young children through age 5, meets any applicable State or local government licensing, certification, approval, and registration requirements, and is operated by—

''(A) a public or private school that may be supported, sponsored, supervised, or administered by a local educational agency;

''(B) a Head Start agency serving as a grantee designated under the Head Start Act (42 U.S.C. 9831 et seq.);

''(C) a nonprofit or community based organization; or

''(D) a child care program, including a home.

''(5) LOW-INCOME COMMUNITY.—In this subsection, the term 'low-income community' means a community in which 70 percent of households earn less than 85 percent of the State median household income.

''(6) NURSE.—The term 'nurse' means a nurse who meets all of the following:

''(A) The nurse graduated from—

''(i) an accredited school of nursing (as those terms are defined in section 801 of the Public Health Service Act (42 U.S.C. 296));

''(ii) a nursing center; or

''(iii) an academic health center that provides nurse training.

''(B) The nurse holds a valid and unrestricted license to practice nursing in the State in which the nurse practices in a clinical setting.

''(C) The nurse holds one or more of the following:

''(i) A graduate degree in nursing, or an equivalent degree.

''(ii) A nursing degree from a collegiate school of nursing (as defined in section 801 of the Public Health Service Act (42 U.S.C. 296)).

''(iii) A nursing degree from an associate degree school of nursing (as defined in section 801 of the Public Health Service Act (42 U.S.C. 296)).

''(iv) A nursing degree from a diploma school of nursing (as defined in section 801 of the Public Health Service Act (42 U.S.C. 296)).

''(7) SPEECH-LANGUAGE PATHOLOGIST.—The term 'speech-language pathologist' means a speech-language pathologist who meets all of the following:

''(A) the speech-language pathologist has received, at a minimum, a graduate degree in speech-language pathology or communication sciences and disorders from an institution of higher education accredited by an

agency or association recognized by the Secretary pursuant to section 496(a) of this Act; and

''(B) the speech-language pathologist meets or exceeds the qualifications described in section 1861(ll)(3) of the Social Security Act (42 U.S.C. 1395x(3)).

''(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2006 and such sums as may be necessary for each of the 5 succeeding fiscal years.''.

SEC. 2120. UNSUBSIDIZED STAFFORD LOANS.

(a) AMENDMENT.—Section 428H(d)(2)(C) (20 U.S.C. 1078–8(d)(2)(C)) is amended by striking ''$10,000'' and inserting ''$12,000''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to loans for which the first disbursement of principal is made on or after July 1, 2007.

SEC. 2121. ELIMINATION OF TERMINATION DATES FROM TAXPAYER-TEACHER PROTECTION ACT OF 2004.

(a) EXTENSION OF LIMITATIONS ON SPECIAL ALLOWANCE FOR LOANS FROM THE PROCEEDS OF TAX EXEMPT ISSUES.—Section 438(b)(2)(B) (20 U.S.C. 1087–1(b)(2)(B)) is amended—

(1) in clause (iv), by striking ''and before January 1, 2006,''; and

(2) in clause (v)(II)—

(A) by striking ''and before January 1, 2006,'' each place it appears in divisions (aa) and (bb); and

(B) by striking '', and before January 1, 2006'' in division (cc).

(b) ADDITIONAL LIMITATION ON SPECIAL ALLOWANCE FOR LOANS FROM THE PROCEEDS OF TAX EXEMPT ISSUES.—Section 438(b)(2)(B) (20 U.S.C 1087–1(b)(2)(B)) is further amended by adding at the end thereof the following new clause:

''(vi) Notwithstanding clauses (i), (ii), and (v), the quarterly rate of the special allowance shall be the rate determined under subparagraph (A), (E), (F), (G), (H), or (I) of this paragraph, as the case may be, for a holder of loans—

''(I) that were made or purchased on or after October 1, 2005; or

''(II) that were not earning a quarterly rate of special allowance determined under clauses (i) or (ii) of subparagraph (B) of this paragraph (20 U.S.C. 1087–1(b)(2)(b)) as of October 1, 2005.''.

(c) ELIMINATION OF EFFECTIVE DATE LIMITATION ON HIGHER TEACHER LOAN FORGIVENESS BENEFITS.—Paragraph (3) of section 3(b) of the Taxpayer-Teacher Protection Act of 2004 (20 U.S.C. 1078–10 note) is amended by striking '', and before October 1, 2005''.

(d) ADDITIONAL CHANGES TO TEACHER LOAN FORGIVENESS PROVISIONS.—

(1) FFEL PROVISIONS.—Section 428J (20 U.S.C. 1078–10) is amended—

(A) in subsection (b)(1)(B), by inserting after ''1965'' the following: '', or meets the requirements of subsection (g)(3)'';

(B) in subsection (c)(3)—

(i) by striking ''and'' at the end of subparagraph (A);

(ii) by striking the period at the end of subparagraph (B) and inserting ''; and''; and

(iii) by inserting after subparagraph (B) the following new subparagraph:

''(C) an elementary or secondary school teacher who primarily teaches reading—

''(i) who meets the requirements of subsection (b);

''(ii) who has obtained a separate reading instruction credential from the State in which the teacher is employed; and

''(iii) who is certified by the chief administrative officer of the public or nonprofit private elementary or secondary school in which the borrower is employed to teach reading—

''(I) as being proficient in teaching the essential components of reading instruction as defined in section 1208 of the Elementary and Secondary Education Act of 1965; and

''(II) as having such credential.''; and

(C) in subsection (g), by adding at the end the following new paragraph:

''(3) PRIVATE SCHOOL TEACHERS.—An individual who is employed as a teacher in a private school and is exempt from State certification requirements (unless otherwise applicable under State law), may, in lieu of the requirement of subsection (a)(1)(B), have such employment treated as qualifying employment under this section if such individual is permitted to and does satisfy rigorous subject knowledge and skills tests by taking competency tests in the applicable grade levels and subject areas. For such purposes, the competency tests taken by such a private school teacher must be recognized by 5 or more States for the purpose of fulfilling the highly qualified teacher requirements under section 9101 of the Elementary and Secondary Education Act of 1965, and the score achieved by such teacher on each test must equal or exceed the average passing score of those 5 States.''.

(2) DIRECT LOAN PROVISIONS.—Section 460 (20 U.S.C. 1087j) is amended—

(A) in subsection (b)(1)(A)(ii), by inserting after ''1965'' the following: '', or meets the requirements of subsection (g)(3)'';

(B) in subsection (c)(3)—

(i) by striking ''and'' at the end of subparagraph (A);

(ii) by striking the period at the end of subparagraph (B) and inserting ''; and''; and

(iii) by inserting after subparagraph (B) the following new subparagraph:

''(C) an elementary or secondary school teacher who primarily teaches reading—

''(i) who meets the requirements of subsection (b);

''(ii) who has obtained a separate reading instruction credential from the State in which the teacher is employed; and

''(iii) who is certified by the chief administrative officer of the public or nonprofit private elementary or secondary school in which the borrower is employed to teach reading—

''(I) as being proficient in teaching the essential components of reading instruction as defined in section 1208 of the Elementary and Secondary Education Act of 1965; and

''(II) as having such credential.''; and

(C) in subsection (g), by adding at the end the following new paragraph:

''(3) PRIVATE SCHOOL TEACHERS.—An individual who is employed as a teacher in a private school and is exempt from State certification requirements (unless otherwise applicable under State law), may, in lieu of the requirement of subsection (a)(1)(A)(ii), have such employment treated as qualifying employment under this section if such individual is permitted to and does satisfy rigorous subject knowledge and skills tests by taking competency tests in the applicable grade levels and subject areas. For such purposes, the competency tests taken by such a private school teacher must be recognized by 5 or more States for the purpose of fulfilling the highly qualified teacher requirements under section 9101 of the Elementary and Secondary Education Act of 1965, and the score achieved by such teacher on each test must equal or exceed the average passing score of those 5 States.''.

SEC. 2122. LOAN FEES FROM LENDERS.

Section 438(d)(2) (20 U.S.C. 1087–1(d)(2)) is amended to read as follows:

''(2) AMOUNT OF LOAN FEES.—The amount of the loan fee which shall be deducted under paragraph (1) shall be equal to—

''(A) 0.50 percent of the principal amount of the loan with respect to any loan under this part for which the first disbursement was made on or after October 1, 1993, and before July 1, 2006; and

''(B) 1.0 percent of the principal amount of the loan with respect to any loan under this part for which the first disbursement was made on or after July 1, 2006.''.

SEC. 2123. ADDITIONAL ADMINISTRATIVE PROVISIONS.

(a) TREATMENT OF EXEMPT CLAIMS.—

(1) INSURANCE COVERAGE.—Section 428(b)(1)(G) (20 U.S.C. 1078(b)(1)(G)) is amended by inserting before the semicolon at the end the following: ''and 100 percent of the unpaid principal amount of exempt claims as defined in subsection (c)(1)(G)''.

(2) TREATMENT.—Section 428(c)(1) (20 U.S.C. 1078(c)(1)) is amended—

(A) by redesignating subparagraph (G) as subparagraph (H), and moving such subparagraph 2 em spaces to the left; and

(B) by inserting after subparagraph (F) the following new subparagraph:

''(G)(i) Notwithstanding any other provisions of this section, in the case of exempt claims, the Secretary shall apply the provisions of—

''(I) the fourth sentence of subparagraph (A) by substituting '100 percent' for '95 percent';

''(II) subparagraph (B)(i) by substituting '100 percent' for '85 percent'; and

''(III) subparagraph (B)(ii) by substituting '100 percent' for '75 percent'.

''(ii) For purposes of clause (i) of this subparagraph, the term 'exempt claims' means claims with respect to loans for which it is determined that the borrower (or the student on whose behalf a parent has borrowed), without the lender's or the institution's knowledge at the time the loan was made, provided false or erroneous information or took actions that caused the borrower or the student to be ineligible for all or a portion of the loan or for interest benefits thereon.''.

(b) REDUCTION OF INSURANCE PERCENTAGE.—

(1) INSURANCE PERCENTAGE REDUCTION.—Section 428(b)(1)(G) as amended by subsection (a)(1) is further amended by inserting after the matter inserted by such subsection the following: '', except, for any loan for which the first disbursement of principal is made on or after July 1, 2006, the preceding provisions of this subparagraph shall be applied by substituting '96 percent' for '98 percent' ''.

(2) INCREASE INSURANCE FOR EXCEPTIONAL PERFORMANCE.—Section 428I (20 U.S.C. 1078–9) is amended to read as follows:

''SEC. 428I. SPECIAL INSURANCE AND REINSURANCE RULES FOR EXCEPTIONAL PERFORMANCE.

''(a) DESIGNATION OF LENDERS AND SERVICERS.—

''(1) IN GENERAL.—Whenever the Secretary determines that an eligible lender or servicer meets the performance measures required by paragraph (2), the Secretary shall designate that eligible lender or servicer, as the case may be, for exceptional performance. The Secretary shall notify each appropriate guaranty agency of the eligible lenders and servicers designated under this section.

''(2) PERFORMANCE MEASURES.—

''(A) In determining whether to award a lender or servicer the exceptional performance designation, the Secretary shall require that the lender or servicer be performing at or above the 95 percentile of the industry, and demonstrate improved performance against the lender's or servicer's average of the last 3 years on the factors described in subparagraph (B).

''(B) The factors on which the Secretary shall require improvement shall include—

''(i) delinquency rates;

''(ii) the rate at which delinquent accounts are restored to good standing;

''(iii) default rates;

''(iv) the rate of rejected claims; and

''(v) any other such measures as determined by the Secretary.

''(C) In addition, the Secretary shall not make any award of such a designation unless the consequence of the designation is cost-neutral to the Federal Government.

''(3) ADDITIONAL INFORMATION ON LENDERS AND SERVICERS.—Each appropriate guaranty agency shall provide the Secretary with such other information in its possession regarding an eligible lender or servicer desiring designation as may relate to the Secretary's determination under paragraph (1), including but not limited to any information suggesting that the application of a lender or servicer for designation should not be approved.

''(4) DETERMINATIONS BY THE SECRETARY.—

''(A) The Secretary shall designate an eligible lender or servicer for exceptional performance if the eligible lender or servicer meets the performance measures required by paragraph (2).

''(B) The Secretary shall make the determination under paragraph (1) based upon the documentation submitted by the eligible lender or servicer as specified in regulation, such other information as provided by any guaranty agency under paragraph (3), and any information in the possession of the Secretary or submitted by any other agency or office of the Federal Government.

''(C) The Secretary shall inform the eligible lender or servicer and the appropriate guaranty agency that its application for designation as an exceptional performance lender or servicer has been approved or disapproved.

''(5) TRANSITION.—

''(A) Any eligible lender or servicer designated for exceptional performance as of the day before the date of enactment of the Higher Education Budget Reconciliation Act of 2005 shall continue to be so designated, and subject to the requirements of this section as in effect on that day (including revocation), until the performance standards described in paragraph (2) are established.

''(B) The Secretary shall not designate any additional eligible lenders or servicers for exceptional performance until those performance standards are established.

''(b) PAYMENT TO LENDERS AND SERVICERS.—A guaranty agency shall pay, to each eligible lender or servicer (as agent for an eligible lender) designated under subsection (a), 98 percent of the unpaid principal and interest of all loans for which claims are submitted for payment by that eligible lender or servicer for the one-year period following the receipt by the guaranty agency of the notification of designation under this section, or until the guaranty agency receives notice from the Secretary that the designation of the lender or servicer under subsection (a)(2) has been revoked.

''(c) REVOCATION AUTHORITY.—

''(1) The Secretary shall revoke the designation of a lender or a servicer under subsection (a) if the Secretary determines that the lender or servicer has failed to meet the performance standards required by subsection (a)(2).

''(2) Notwithstanding any other provision of this section, a designation under subsection (a) may be revoked at any time by the Secretary, in the Secretary's discretion, if the Secretary determines that the eligible lender or servicer has failed to meet the criteria and performance standards established by the Secretary in regulation, or if the Secretary believes the lender or servicer may have engaged in fraud in securing designation under subsection (a), or is failing to service loans in accordance with program regulations.

''(d) DOCUMENTATION.—Nothing in this section shall restrict or limit the authority of guaranty agencies to require the submission of claims documentation evidencing servicing performed on loans, except that the guaranty agency may not require greater documentation than that required for lenders and servicers not designated under subsection (a).

''(e) SPECIAL RULE.—Reimbursements made by the Secretary on loans submitted for claim by an eligible lender or loan servicer designated for exceptional performance under this section shall not be subject to additional review by the Secretary or repurchase by the guaranty agency for any reason other than a determination by the Secretary that the eligible lender or loan servicer engaged in fraud or other purposeful misconduct in obtaining designation for exceptional performance.

''(f) LIMITATION.—Nothing in this section shall be construed to affect the processing of claims on student loans of eligible lenders not subject to this section.

''(g) CLAIMS.—A lender or servicer designated under subsection (a) failing to service loans or otherwise comply with applicable program regulations shall be considered in violation of section 3729 of title 31, United States Code.

''(h) TERMINATION.—The Secretary may terminate the designation of lenders and servicers under this section if he determines that termination would be in the fiscal interest of the United States.

''(i) DEFINITIONS.—As used in this section—

''(1) the term 'eligible loan' means a loan made, insured, or guaranteed under this part; and

''(2) the term 'servicer' means an entity servicing and collecting student loans that—

''(A) has substantial experience in servicing and collecting consumer loans or student loans;

''(B) has an independent financial audit annually which is furnished to the Secretary and any other parties designated by the Secretary;

''(C) has business systems which are capable of meeting the requirements of this part;

''(D) has adequate personnel who are knowledgeable about the student loan programs authorized by this part; and

''(E) does not have any owner, majority shareholder, director, or officer of the entity who has been convicted of a felony.''.

(3) EFFECTIVE DATE OF AMENDMENTS.—The amendments made by this subsection shall apply with respect to loans for which the first disbursement of principal is made on or after July 1, 2006.

(c) DOCUMENTATION OF FORBEARANCE AGREEMENTS.—Section 428(c) (20 U.S.C. 1078(c)) is further amended—

(1) in paragraph (3)(A)(i)—

(A) by striking ''in writing''; and

(B) by inserting ''and documented in accordance with paragraph (10)'' after ''approval of the insurer''; and

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

''(10) DOCUMENTATION OF FORBEARANCE AGREEMENTS.—For the purposes of paragraph (3), the terms of forbearance agreed to by the parties shall be documented by confirming the agreement of the borrower by notice to the borrower from the lender, and by recording the terms in the borrower's file.''.

(d) CONSOLIDATION OF DEFAULTED LOANS.—Section 428(c) (20 U.S.C. 1078(c)) is further amended—

(1) in paragraph (2)(A)—

(A) by inserting ''(i)'' after ''including''; and

(B) by inserting before the semicolon at the end the following: ''and (ii) requirements establishing procedures to preclude consolidation lending from being an excessive proportion of guaranty agency recoveries on defaulted loans under this part'';

(2) in paragraph (2)(D), by striking ''paragraph (6)'' and inserting ''paragraph (6)(A)''; and

(3) in paragraph (6)—

(A) by inserting ''(A)'' before ''For the purpose of paragraph (2)(D),'';

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively; and

(C) by adding at the end the following new subparagraphs:

''(B) A guaranty agency shall—

''(i) on or after October 1, 2006—

''(I) not charge the borrower collection costs in an amount in excess of 18.5 percent of the outstanding principal and interest of a defaulted loan that is paid off through consolidation by the borrower under this title; and

''(II) remit to the Secretary a portion of the collection charge under subclause (I) equal to 8.5 percent of the outstanding principal and interest of such defaulted loan; and

''(ii) on and after October 1, 2009, remit to the Secretary the entire amount charged under clause (i)(I) with respect to each defaulted loan that is paid off with excess consolidation proceeds.

''(C) For purposes of subparagraph (B), the term 'excess consolidation proceeds' means, with respect to any guaranty agency for any Federal fiscal year beginning on or after October 1, 2009, the proceeds of consolidation of defaulted loans under this title that exceed 45 percent of the agency's total collections on defaulted loans in such Federal fiscal year.''.

(e) COLLECTION RETENTION PERCENTAGES.—Clause (ii) of section 428(c)(6)(B) (20 U.S.C. 1078(c)(6)(B)), as redesignated by subsection (d)(3) of this section, is amended to read as follows:

''(ii) an amount equal to 24 percent of such payments for use in accordance with section 422B, except that—

''(I) beginning on October 1, 2003, and ending on October 1, 2006, this clause shall be applied by substituting '23 percent' for '24 percent'; and

''(II) beginning on October 1, 2006, this clause shall be applied by substituting '20 percent' for '24 percent'.''.

(f) VOLUNTARY FLEXIBLE AGREEMENTS.—Section 428A (20 U.S.C. 1078–1) is amended—

(1) in subsection (a)(1)(B), by striking ''unless the Secretary'' and all that follows through ''designated guarantor'';

(2) by striking paragraph (2) of subsection (a);

(3) in paragraph (4)(B) of subsection (a), by striking ''and any waivers provided to other guaranty agencies under paragraph (2)'';

(4) by redesignating paragraphs (3) and (4) of subsection (a) as paragraphs (2) and (3), respectively; and

(5) by striking paragraph (3) of subsection (c) and inserting the following:

''(3) NOTICE TO INTERESTED PARTIES.—Once the Secretary reaches a tentative agreement in principle under this section, the Secretary shall publish in the Federal Register a notice that invites interested parties to comment on the proposed agreement. The notice shall state how to obtain a copy of the tentative agreement in principle and shall give interested parties no less than 30 days to provide comments. The Secretary may consider such comments prior to providing the notices pursuant to paragraph (2).''.

(g) FRAUD: REPAYMENT REQUIRED.—Section 428B(a)(1) (20 U.S.C. 1078–2(a)(1)) is amended—

(1) by striking ''and'' at the end of subparagraph (A);

(2) by redesignating subparagraph (B) as subparagraph (C); and

(3) by inserting after subparagraph (A) the following new subparagraph:

''(B) in the case of a parent who has been convicted of, or has pled nolo contendere or guilty to, a crime involving fraud in obtaining funds under this title, such parent has completed the repayment of such funds to the Secretary, or to the holder in the case of a loan under this title obtained by fraud; and''.

(h) DEFAULT REDUCTION PROGRAM.—Section 428F(a)(1) (20 U.S.C. 1078–6(a)(1)) is amended—

(1) in subparagraph (A), by striking ''consecutive payments for 12 months'' and inserting ''9 payments made within 20 days of the due date during 10 consecutive months'';

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following new subparagraph:

''(C) A guaranty agency may charge the borrower and retain collection costs in an amount not to exceed 18.5 percent of the outstanding principal and interest at the time of sale of a loan rehabilitated under subparagraph (A).''.

(i) FINANCIAL AND ECONOMIC LITERACY.—

(1) DEFAULT REDUCTION PROGRAM.—Section 428F is further amended by adding at the end the following:

''(c) FINANCIAL AND ECONOMIC LITERACY.—Where appropriate, each program described under subsection (b) shall include making financial and economic education materials available to the borrower.''.

(2) PROGRAM ASSISTANCE FOR BORROWERS.—Section 432(k)(1) (20 U.S.C. 1082(k)(1)) is amended by striking ''and offering'' and all that follows through the period and inserting '', offering loan repayment matching provisions as part of employee benefit packages, and providing employees with financial and economic education and counseling.''.

(j) CREDIT BUREAU ORGANIZATION AGREEMENTS.—Section 430A(a) (20 U.S.C. 1080a(a)) is amended by striking ''agreements with credit bureau organizations'' and inserting ''an agreement with each national credit bureau organization (as described in section 603(p) of the Fair Credit Reporting Act)''.

(k) UNIFORM ADMINISTRATIVE AND CLAIMS PROCEDURE.—Section 432(l)(1)(H) (20 U.S.C. 1082(l)(1)(H)) is amended by inserting ''and anticipated graduation date'' after ''status change''.

(l) DEFAULT REDUCTION MANAGEMENT.—Section 432 is further amended—

(1) by striking subsection (n); and

(2) by redesignating subsections (o) and (p) as subsections (n) and (o), respectively.

(m) SCHOOLS AS LENDERS.—Paragraph (2) of section 435(d) (20 U.S.C. 1085(d)(2)) is amended to read as follows:

''(2) REQUIREMENTS FOR ELIGIBLE INSTITUTIONS.—

''(A) IN GENERAL.—To be an eligible lender under this part, an eligible institution—

''(i) shall employ at least one person whose full-time responsibilities are limited to the administration of programs of financial aid for students attending such institution;

''(ii) shall not be a home study school;

''(iii) shall not—

''(I) make a loan to any undergraduate student;

''(II) make a loan other than a loan under section 428 or 428H to a graduate or professional student; or

''(III) make a loan to a borrower who is not enrolled at that institution;

''(iv) shall award any contract for financing, servicing, or administration of loans under this title on a competitive basis;

''(v) shall offer loans that carry an origination fee or an interest rate, or both, that are less than such fee or rate authorized under the provisions of this title;

''(vi) shall not have a cohort default rate (as defined in section 435(m)) greater than 10 percent;

''(vii) shall, for any year for which the institution engages in activities as an eligible lender, provide for a compliance audit conducted in accordance with section 428(b)(1)(U)(iii)(I), and the regulations thereunder, and submit the results of such audit to the Secretary; and

''(viii) shall use any proceeds from special allowance payments and interest payments from borrowers, interest subsidies received from the Department of Education, and any proceeds from the sale or other disposition of loans, for need-based grant programs.

''(B) ADMINISTRATIVE EXPENSES.—An eligible lender under subparagraph (A) shall be permitted to use a portion of the proceeds described in subparagraph (A)(viii) for reasonable and direct administrative expenses.

''(C) SUPPLEMENT, NOT SUPPLANT.—An eligible lender under subparagraph (A) shall ensure that the proceeds described in subparagraph (A)(viii) are used to supplement, and not to supplant, non-Federal funds that would otherwise be used for need-based grant programs.''.

(n) DISABILITY DETERMINATIONS.—Section 437(a) (20 U.S.C. 1087(a)) is amended by adding at the end the following new sentence: ''In making such determination of permanent and total disability, the Secretary shall not require a borrower who has been certified as permanently and totally disabled by the Department of Veterans Affairs or the Social Security Administration to present further documentation of disability for purposes of this title.''.

(o) TREATMENT OF FALSELY CERTIFIED BORROWERS.—Section 437(c)(1) (20 U.S.C. 1087(c)(1)) is amended by inserting ''or parent's eligibility'' after ''such student's eligibility''.

(p) PERFECTION OF SECURITY INTERESTS.—Section 439(d) (20 U.S.C. 1087–2(d)) is amended—

(1) by striking paragraph (3); and

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

(q) ADDITIONAL TECHNICAL AMENDMENTS.—

(1) Section 428(a)(2)(A) (20 U.S.C. 1078(a)(2)(A)) is amended—

(A) by striking ''and'' at the end of subclause (II) of clause (i); and

(B) by moving the margin of clause (iii) two ems to the left.

(2) Section 428(a)(3)(A)(v) (20 U.S.C. 1078(a)(3)(A)(v)) is amended—

(A) by striking ''or'' at the end of subclause (I);

(B) by striking the period at the end of subclause (II) and inserting ''; or''; and

(C) by adding after subclause (II) the following new subclause:

''(III) in the case of a loan disbursed through an escrow agent, 3 days before the first disbursement of the loan.''.

(3) Section 428(c)(1)(A) (20 U.S.C. 1078(c)(1)(A)) is amended by striking ''45 days'' in the last sentence and inserting ''30 days''.

(4) Section 428(i)(1) (20 U.S.C. 1078(i)(1)) is amended by striking ''21 days'' in the third sentence and inserting ''10 days''.

(5) Section 428G(e) (20 U.S.C. 1078–7(e)) is amended by striking '', made to a student to cover the cost of attendance at an eligible institution outside the United States,''.

(6) Section 428H(e) (20 U.S.C. 1078–8(e)) is amended by striking paragraph (6) and inserting the following:

''(6) TIME LIMITS ON BILLING INTEREST.—A lender may not receive interest on a loan under this section from a borrower for any period that precedes the dates described in section 428(a)(3)(A)(v).''.

(7) Section 432(m)(1)(B) (20 U.S.C. 1082(m)(1)(B)) is amended—

(A) in clause (i), by inserting ''and'' after the semicolon at the end; and

(B) in clause (ii), by striking ''; and'' and inserting a period.

(8) Section 438(b)(4)(B) (20 U.S.C. 1087–1(b)(4)(B)) is amended by striking ''shall be computed'' and all that follows through ''to the loan'' and inserting ''described in subparagraph (A) shall be computed using the interest rate described in section 3902(a) of title 31, United States Code,''.

SEC. 2124. FUNDS FOR ADMINISTRATIVE EXPENSES.

Section 458 is amended to read as follows:

''SEC. 458. FUNDS FOR ADMINISTRATIVE EXPENSES.

''(a) ADMINISTRATIVE EXPENSES.—

''(1) MANDATORY FUNDS FOR FISCAL YEAR 2006.—For fiscal year 2006, there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for—

''(A) administrative costs under this part and part B, including the costs of the direct student loan programs under this part; and

''(B) account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsections (b) and (c),

not to exceed (from such funds not otherwise appropriated) $820,000,000 in fiscal year 2006.

''(2) AUTHORIZATION FOR ADMINISTRATIVE COSTS BEGINNING IN FISCAL YEAR 2007.—For each of the fiscal years 2007 through 2011, there are authorized to be appropriated such sums as may be necessary for administrative costs under this part and part B, including the costs of the direct student loan programs under this part.

''(3) CONTINUING MANDATORY FUNDS FOR ACCOUNT MAINTENANCE FEES.—For each of the fiscal years 2007 through 2011, there shall be available to the Secretary, from funds not otherwise appropriated, funds to be obligated for account maintenance fees payable to guaranty agencies under part B and calculated in accordance with subsection (b).

''(4) ACCOUNT MAINENANCE FEES.—Account maintenance fees under paragraph (3) shall be paid quarterly and deposited in the Agency Operating Fund established under section 422B.

''(5) CARRYOVER.—The Secretary may carry over funds made available under this section to a subsequent fiscal year.

''(b) CALCULATION BASIS.—Account maintenance fees payable to guaranty agencies under subsection (a)(3) shall not exceed the basis of 0.10 percent of the original principal amount of outstanding loans on which insurance was issued under part B.

''(c) BUDGET JUSTIFICATION.—No funds may be expended under this section unless the Secretary includes in the Department of Education's annual budget justification to Congress a detailed description of the specific activities for which the funds made available by this section have been used in the prior and current years (if applicable), the activities and costs planned for the budget year, and the projection of activities and costs for each remaining year for which administrative expenses under this section are made available.''.

SEC. 2125. SIGNIFICANTLY SIMPLIFYING THE STUDENT AID APPLICATION PROCESS.

(a) EXPANDING THE AUTO-ZERO AND FURTHER SIMPLIFYING THE SIMPLIFIED NEEDS TEST.—

(1) SIMPLIFIED NEEDS TEST.—Section 479 (20 U.S.C. 1087ss) is amended—

(A) in subsection (b)—

(i) in paragraph (1)—

(I) by striking clause (i) of subparagraph (A) and inserting the following:

''(i) the student's parents file, or are eligible to file, a form described in paragraph (3) or certify that they are not required to file an income tax return, and the student files, or is eligible to file, such a form or certifies that the student is not required to file an income tax return, or the student's parents, or the student, received benefits at some time during the previous 12-month period under a means-tested Federal benefit program as defined under subsection (d); and''; and

(II) by striking clause (i) of subparagraph (B) and inserting the following:

''(i) the student (and the student's spouse, if any) files, or is eligible to file, a form described in paragraph (3) or certifies that the student (and the student's spouse, if any) is not required to file an income tax return, or the student (and the student's spouse, if any) received benefits at some time during the previous 12-month period under a means-tested Federal benefit program as defined under subsection (d); and''; and

(ii) in paragraph (3), by striking ''A student or family files a form described in this subsection, or subsection (c), as the case may be, if the student or family, respectively, files'' and inserting ''In the case of an independent student, the student, or in the case of a dependent student, the parent, files a form described in this subsection, or subsection (c), as the case may be, if the student or parent, as appropriate, files'';

(B) in subsection (c)—

(i) in paragraph (1), by striking subparagraph (A) and inserting the following:

''(A) the student's parents file, or are eligible to file, a form described in subsection (b)(3) or certify that they are not required to file an income tax return, and the student files, or is eligible to file, such a form or certifies that the student is not required to file an income tax return, or the student's parents, or the student, received benefits at some time during the previous 12-month period under a means-tested Federal benefit program as defined in subsection (d); and''; and

(ii) in paragraph (2), by striking subparagraph (A) and inserting the following:

''(A) the student (and the student's spouse, if any) files, or is eligible to file, a form described in subsection (b)(3) or certifies that the student (and the student's spouse, if any) is not required to file an income tax return, or the student (and the student's spouse, if any) received benefits at some time during the previous 12-month period under a means-tested Federal benefit program as defined in subsection (d); and''; and

(C) by adding at the end the following new subsections:

''(d) DEFINITION OF MEANS-TESTED FEDERAL BENEFIT PROGRAM.—For the purposes of this section, the term 'means-tested Federal benefit program' means a mandatory spending program of the Federal Government, other than a program under this title, in which eligibility for the program's benefits, or the amount of such benefits, or both, are determined on the basis of income or resources of the individual or family seeking the benefit, and may include such programs as the supplemental security income program under title XVI of the Social Security Act, the food stamp program under the Food Stamp Act of 1977, the free and reduced price school lunch program established under the Richard B. Russell National School Lunch Act, the temporary assistance to needy families program established under part A of title IV of the Social Security Act, and the women, infants and children program established under Section 17 of the Child Nutrition Act of 1966, and other programs identified by the Secretary.

''(e) REPORTING REQUIREMENTS.—The Secretary shall regularly evaluate the impact of the eligibility guidelines in subsections (b)(1)(A)(i), (b)(1)(B)(i), (c)(1)(A) and (c)(2)(A) of this section. In particular, the Secretary shall evaluate whether using receipt of benefits under a means-tested Federal benefit program (as defined in subsection (d)) for eligibility continues to target the Simplified Needs Test, to the greatest extent possible, for use by low- and moderate-income students and their families.''.

(b) IMPROVEMENTS TO PAPER AND ELECTRONIC FORMS.—

(1) COMMON FINANCIAL AID FORM DEVELOPMENT AND PROCESSING.—Section 483(a) (20 U.S.C. 1090(a)) is amended—

(A) by striking paragraphs (1), (2), and (5);

(B) by redesignating paragraphs (3), (4), (6), and (7), as paragraphs (9), (10), (11), and (12), respectively;

(C) by inserting before paragraph (9), as redesignated by subparagraph (B), the following:

''(1) IN GENERAL.—The Secretary, in cooperation with representatives of agencies and organizations involved in student financial assistance, shall produce, distribute, and process free of charge common financial reporting forms as described in this subsection to be used for application and reapplication to determine the need and eligibility of a student for financial assistance under parts A through E (other than subpart 4 of part A). These forms shall be made available to applicants in both paper and electronic formats and shall be referred to as the 'Free Application for Federal Student Aid' or the 'FAFSA'.

''(2) EARLY ESTIMATES.—

''(A) IN GENERAL.—The Secretary shall permit applicants to complete such forms as described in this subsection in the 4 years prior to enrollment in order to obtain a non-binding estimate of the family contribution, as defined in section 473. The estimate shall clearly and conspicuously indicate that it is only an estimate of family contribution, and may not reflect the actual family contribution of the applicant that shall be used to determine the grant, loan, or work assistance that the applicant may receive under this title when enrolled in a program of postsecondary education. Such applicants shall be permitted to update information submitted on forms described in this subsection using the process required under paragraph (5)(A).

''(B) EVALUATION.—Two years after the early estimates are implemented under this paragraph and from data gathered from the early estimates, the Secretary shall evaluate the differences between initial, non-binding early estimates and the final financial aid award made available under this title.

''(C) REPORT.—The Secretary shall provide a report to the authorizing committees on the results of the evaluation.

''(3) PAPER FORMAT.—

''(A) IN GENERAL.—The Secretary shall produce, distribute, and process common forms in paper format to meet the requirements of paragraph (1). The Secretary shall develop a common paper form for applicants who do not meet the requirements of subparagraph (B).

''(B) EZ FAFSA.—

''(i) IN GENERAL.—The Secretary shall develop and use a simplified paper application form, to be known as the 'EZ FAFSA', to be used for applicants meeting the requirements of section 479(c).

''(ii) REDUCED DATA REQUIREMENTS.—The form under this subparagraph shall permit an applicant to submit, for financial assistance purposes, only the data elements required to make a determination of whether the applicant meets the requirements under section 479(c).

''(iii) STATE DATA.—The Secretary shall include on the form under this subparagraph such data items as may be necessary to award State financial assistance, as provided under paragraph (6), except that the Secretary shall not include a State's data if that State does not permit its applicants for State assistance to use the form under this subparagraph.

''(iv) FREE AVAILABILITY AND PROCESSING.—The provisions of paragraph (7) shall apply to the form under this subparagraph, and the data collected by means of the form under this subparagraph shall be available to institutions of higher education, guaranty agencies, and States in accordance with paragraph (9).

''(v) TESTING.—The Secretary shall conduct appropriate field testing on the form under this subparagraph.

''(C) PROMOTING THE USE OF ELECTRONIC FAFSA.—

''(i) IN GENERAL.—The Secretary shall—

''(I) develop a form that uses skip logic to simplify the application process for applicants; and

''(II) make all efforts to encourage applicants to utilize the electronic forms described in paragraph (4).

''(ii) MAINTENANCE OF THE FAFSA IN A PRINTABLE ELECTRONIC FILE.—The Secretary shall maintain a version of the paper forms described in subparagraphs (A) and (B) in a printable electronic file that is easily portable. The printable electronic file will be made easily accessible and downloadable to students on the same website used to provide students with the electronic application forms described in paragraph (4) of this subsection. The Secretary shall enable students to submit a form created under this subparagraph that is downloaded and printed from an electronic file format in order to meet the filing requirements of this section and in order to receive aid from programs under this title.

''(iii) REPORTING REQUIREMENT.—The Secretary shall report annually to Congress on the impact of the digital divide on students completing applications for title IV aid described under this paragraph and paragraph (4). The Secretary will also report on the steps taken to eliminate the digital divide and phase out the paper form described in subparagraph (A) of this paragraph. The Secretary's report will specifically address the impact of the digital divide on the following student populations: dependent students, independent students without dependents, and independent students with dependents other than a spouse.

''(4) ELECTRONIC FORMAT.—

''(A) IN GENERAL.—The Secretary shall produce, distribute, and process common forms in electronic format to meet the requirements of paragraph (1). The Secretary shall develop common electronic forms for applicants who do not meet the requirements of subparagraph (C) of this paragraph.

''(B) STATE DATA.—The Secretary shall include on the common electronic forms space for information that needs to be submitted from the applicant to be eligible for State financial assistance, as provided under paragraph (6), except the Secretary shall not require applicants to complete data required by any State other than the applicant's State of residence.

''(C) SIMPLIFIED APPLICATIONS: FAFSA ON THE WEB.—

''(i) IN GENERAL.—The Secretary shall develop and use a simplified electronic application form to be used by applicants meeting the requirements under subsection (c) of section 479 and an additional, separate simplified electronic application form to be used by applicants meeting the requirements under subsection (b) of section 479.

''(ii) REDUCED DATA REQUIREMENTS.—The simplified electronic application forms shall permit an applicant to submit for financial

assistance purposes only the data elements required to make a determination of whether the applicant meets the requirements under subsection (b) or (c) of section 479.

''(iii) STATE DATA.—The Secretary shall include on the simplified electronic application forms such data items as may be necessary to award state financial assistance, as provided under paragraph (6), except that the Secretary shall not require applicants to complete data required by any State other than the applicant's State of residence.

''(iv) AVAILABILITY AND PROCESSING.—The data collected by means of the simplified electronic application forms shall be available to institutions of higher education, guaranty agencies, and States in accordance with paragraph (9).

''(v) TESTING.—The Secretary shall conduct appropriate field testing on the forms developed under this subparagraph.

''(D) USE OF FORMS.—Nothing in this subsection shall be construed to prohibit the use of the forms developed by the Secretary pursuant to this paragraph by an eligible institution, eligible lender, guaranty agency, State grant agency, private computer software provider, a consortium thereof, or such other entities as the Secretary may designate.

''(E) PRIVACY.—The Secretary shall ensure that data collection under this paragraph complies with section 552a of title 5, United States Code, and that any entity using the electronic version of the forms developed by the Secretary pursuant to this paragraph shall maintain reasonable and appropriate administrative, technical, and physical safeguards to ensure the integrity and confidentiality of the information, and to protect against security threats, or unauthorized uses or disclosures of the information provided on the electronic version of the forms. Data collected by such electronic version of the forms shall be used only for the application, award, and administration of aid awarded under this title, State aid, or aid awarded by eligible institutions or such entities as the Secretary may designate. No data collected by such electronic version of the forms shall be used for making final aid awards under this title until such data have been processed by the Secretary or a contractor or designee of the Secretary, and an expected family contribution has been calculated by the Secretary, except as may be permitted under this title.

''(F) SIGNATURE.—Notwithstanding any other provision of this Act, the Secretary may permit an electronic form under this paragraph to be submitted with an electronic signature.

''(5) STREAMLINING.—

''(A) STREAMLINED REAPPLICATION PROCESS.—

''(i) IN GENERAL.—The Secretary shall develop streamlined reapplication forms and processes, including both paper and electronic reapplication processes, consistent with the requirements of this subsection, for an applicant who applies for financial assistance under this title—

''(I) in the academic year succeeding the year in which such applicant first applied for financial assistance under this title; or

''(II) in any succeeding academic years.

''(ii) MECHANISMS FOR REAPPLICATION.—The Secretary shall develop appropriate mechanisms to support reapplication.

''(iii) IDENTIFICATION OF UPDATED DATA.—The Secretary shall determine, in cooperation with States, institutions of higher education, agencies, and organizations involved in student financial assistance, the data elements that can be updated from the previous academic year's application.

''(iv) REDUCED DATA AUTHORIZED.—Nothing in this title shall be construed as limiting the authority of the Secretary to reduce the number of data elements required of reapplicants.

''(v) ZERO FAMILY CONTRIBUTION.—Applicants determined to have a zero family contribution pursuant to section 479(c) shall not be required to provide any financial data in a reapplication form, except that which is necessary to determine eligibility under such section.

''(B) REDUCTION OF DATA ELEMENTS.—

''(i) REDUCTION ENCOURAGED.—Of the number of data elements on the FAFSA on the date of enactment of the Higher Education Budget Reconciliation Act of 2005 (including questions on the FAFSA for the purposes described in paragraph (6)), the Secretary, in cooperation with representatives of agencies and organizations involved in student financial assistance, shall continue to reduce the number of such data elements following the date of enactment. Reductions of data elements under paragraph (3)(B), (4)(C), or (5)(A)(iv) shall not be counted towards the reduction referred to in this paragraph unless those data elements are reduced for all applicants.

''(ii) REPORT.—The Secretary shall annually report to the House of Representatives and the Senate on the progress made of reducing data elements.

''(6) STATE REQUIREMENTS.—

''(A) IN GENERAL.—The Secretary shall include on the forms developed under this subsection, such State-specific data items as the Secretary determines are necessary to meet State requirements for State need-based financial aid under section 415C, except as provided in paragraphs (3)(B)(iii) and (4)(C)(iii) of this subsection. Such items shall be selected in consultation with State agencies in order to assist in the awarding of State financial assistance in accordance with the terms of this subsection, except as provided in paragraphs (3)(B)(iii) and (4)(C)(iii) of this subsection. The number of such data items shall not be less than the number included on the form on October 7, 1998, unless a State notifies the Secretary that the State no longer requires those data items for the distribution of State need-based financial aid.

''(B) ANNUAL REVIEW.—The Secretary shall conduct an annual review process to determine which forms and data items the States require to award State need-based financial aid and other application requirements that the States may impose.

''(C) STATE USE OF SIMPLIFIED FORMS.—The Secretary shall encourage States to take such steps as necessary to encourage the use of simplified application forms, including those described in paragraphs (3)(B) and (4)(C), to meet the requirements under subsection (b) or (c) of section 479.

''(D) FEDERAL REGISTER NOTICE.—The Secretary shall publish on an annual basis a notice in the Federal Register requiring State agencies to inform the Secretary—

''(i) if the State agency is unable to permit applicants to utilize the simplified application forms described in paragraphs (3)(B) and (4)(C); and

''(ii) of the State-specific data that the State agency requires for delivery of State need-based financial aid.

''(E) STATE NOTIFICATION TO THE SECRETARY.—

''(i) IN GENERAL.—Each State agency shall notify the Secretary—

''(I) whether the State permits an applicant to file a form described in paragraph (3)(B) or paragraph (4)(C) of this subsection for purposes of determining eligibility for State need-based financial aid; and

''(II) the State-specific data that the State agency requires for delivery of State need-based financial aid.

''(ii) ACCEPTANCE OF FORMS.—In the event that a State does not permit an applicant to file a form described in paragraph (3)(B) or paragraph (4)(C) of this subsection for purposes of determining eligibility for State need-based financial aid—

''(I) the State shall notify the Secretary if the State is not permitted to do so because of either State law or because of agency policy; and

''(II) the notification under subclause (I) shall include an estimate of the program cost to permit applicants to complete simplified application forms under paragraphs (3)(B) and paragraph (4)(C) of this subsection.

''(iii) LACK OF NOTIFICATION BY THE STATE.—If a State does not notify the Secretary pursuant to clause (i), the Secretary shall—

''(I) permit residents of that State to complete simplified application forms under paragraphs (3)(B) and paragraph (4)(C) of this subsection; and

''(II) not require any resident of that State to complete any data previously required by that State under this section.

''(7) CHARGES TO STUDENTS AND PARENTS FOR USE OF FORMS PROHIBITED.—

''(A) FEES PROHIBITED.—The FAFSA, in whatever form (including the EZ–FAFSA, paper, electronic, simplified, or reapplication), shall be produced, distributed, and processed by the Secretary and no parent or student shall be charged a fee by any entity for the collection, processing, or delivery of financial aid through the use of the FAFSA. The need and eligibility of a student for financial assistance under parts A through E of this title (other than under subpart 4 of part A) may only be determined by using the FAFSA developed by the Secretary pursuant to this subsection. No student may receive assistance under parts A through E of this title (other than under subpart 4 of part A), except by use of the FAFSA developed by the Secretary pursuant to this subsection. No data collected on a form, worksheet, or other document for which a fee is charged shall be used to complete the FAFSA.

''(B) NOTICE.—Any entity that provides to students or parents, or charges students or parents for, any value-added services with respect to or in connection with the FAFSA, such as completion of the FAFSA, submission of the FAFSA, or tracking of the FAFSA for a student, shall provide to students and parents clear and conspicuous notice that—

''(i) the FAFSA is a free Federal student aid application;

''(ii) the FAFSA can be completed without professional assistance; and

''(iii) includes the current Internet address for the FAFSA on the Department's web site.

''(8) APPLICATION PROCESSING CYCLE.—The Secretary shall enable students to submit a form created under this subsection in order to meet the filing requirements of this section and in order to receive aid from programs under this title and shall initiate the processing of applications under this subsection as early as practicable prior to January 1 of the student's planned year of enrollment.''.

(2) MASTER CALENDAR.—Section 482(a)(1)(B) (20 U.S.C. 1089) is amended to read as follows:

''(B) by March 1: proposed modifications, updates, and notices pursuant to sections 478, 479(c)(2)(C), and 483(a)(6) published in the Federal Register;''.

(c) INCREASING ACCESS TO TECHNOLOGY.—Section 483 (20 U.S.C. 1090) is further amended by adding at the end the following:

''(f) ADDRESSING THE DIGITAL DIVIDE.—The Secretary shall utilize savings accrued by moving more applicants to the electronic

forms described in subsection (a)(4) to improve access to the electronic forms described in subsection (a)(4) for applicants meeting the requirements of section 479(c).''.

(d) EXPANDING THE DEFINITION OF AN INDEPENDENT STUDENT.—Section 480(d) (20 U.S.C.1087vv(d)) is amended by striking paragraph (2) and inserting the following:

''(2) is an orphan, in foster care, or a ward of the court, or was in foster care or a ward of the court until the individual reached the age of 18;''.

SEC. 2126. ADDITIONAL NEED ANALYSIS AMENDMENTS.

(a) INCOME PROTECTION ALLOWANCE FOR DEPENDENT STUDENTS.——

(1) AMENDMENT.—Section 475(g)(2)(D) (20 U.S.C. 1087oo(g)(2)(D)) is amended by striking ''$2,200'' and inserting ''$3,000''.

(2) CONFORMING AMENDMENT.—Section 478(b) (20 U.S.C. 1087rr(b)) is amended by adding at the end the following new paragraph:

''(3) REVISED AMOUNTS AFTER INCREASE.—Notwithstanding paragraph (2), for each academic year after academic year 2006–2007, the Secretary shall publish in the Federal Register a revised income protection allowance for the purpose of section 475(g)(2)(D). Such revised allowance shall be developed by increasing the dollar amount contained in such section by a percentage equal to the estimated percentage increase in the Consumer Price Index (as determined by the Secretary) between December 2005 and the December next preceding the beginning of such academic year, and rounding the result to the nearest $10.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to determinations of need for periods of enrollment beginning on or after July 1, 2006.

(b) EMPLOYMENT EXPENSE ALLOWANCE.—Section 478(h) (20 U.S.C. 1087rr(h)) is amended—

(1) by striking ''476(b)(4)(B),''; and

(2) by striking ''meals away from home, apparel and upkeep, transportation, and housekeeping services'' and inserting ''food away from home, apparel, transportation, and household furnishings and operations''.

(c) DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.—Section 479A(a) (20 U.S.C. 1087tt(a)) is amended—

(1) by striking ''(a) IN GENERAL.—'' and inserting the following:

''(a) AUTHORITY TO MAKE ADJUSTMENTS.—

''(1) ADJUSTMENTS FOR SPECIAL CIRCUMSTANCES.—'';

(2) by inserting before ''Special circumstances may'' the following:

''(2) SPECIAL CIRCUMSTANCES DEFINED.—'';

(3) by inserting ''a student's status as a ward of the court at any time prior to attaining 18 years of age, a student's status as an individual who was adopted at or after age 13, a student's status as a homeless or unaccompanied youth (as defined in section 725 of the McKinney-Vento Homeless Assistance Act),'' after ''487,'';

(4) by inserting before ''Adequate documentation'' the following:

''(3) DOCUMENTATION AND USE OF SUPPLEMENTARY INFORMATION.—''; and

(5) by inserting before ''No student'' the following:

''(4) FEES FOR SUPPLEMENTARY INFORMATION PROHIBITED.—''.

(d) TREATING ACTIVE DUTY MEMBERS OF THE ARMED FORCES AS INDEPENDENT STUDENTS.—Section 480(d)(3) (20 U.S.C. 1087vv(d)(3)) is amended by inserting before the semicolon at the end the following: ''or is currently serving on active duty in the Armed Forces for other than training purposes''.

(e) EXCLUDABLE INCOME.—Section 480(e) (20 U.S.C. 1087vv(e)) is amended—

(1) by striking ''and'' at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting ''; and''; and

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

''(5) any part of any distribution from a qualified tuition program established under section 529 of the Internal Revenue Code of 1986 that is not includable in gross income under such section 529.''.

(f) TREATMENT OF SAVINGS PLANS.—

(1) AMENDMENT.—Section 480(f) (20 U.S.C. 1087vv(f)) is amended—

(A) in paragraph (1), by inserting ''qualified tuition programs established under section 529 of the Internal Revenue Code of 1986 (26 U.S.C. 529), except as provided in paragraph (2),'' after ''tax shelters,'';

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following new paragraph:

''(2) A qualified tuition program shall not be considered an asset of a dependent student under section 475 of this part. The value of a qualified tuition program for purposes of determining the assets of parents or independent students shall be—

''(A) the refund value of any tuition credits or certificates purchased under section 529 of the Internal Revenue Code of 1986 (26 U.S.C. 529) on behalf of a beneficiary; or

''(B) the current balance of any account which is established under such section for the purpose of meeting the qualified higher education expenses of the designated beneficiary of the account.''.

(2) CONFORMING AMENDMENT.—Section 480(j) (20 U.S.C. 1087vv(j)) is amended—

(A) by striking ''; TUITION PREPAYMENT PLANS'' in the heading of such subsection;

(B) by striking paragraph (2);

(C) in paragraph (3), by inserting '', or a distribution that is not includable in gross income under section 529 of such Code,'' after ''1986''; and

(D) by redesignating paragraph (3) as paragraph (2).

(g) TREATMENT OF FAMILY OWNERSHIP OF SMALL BUSINESSES.—Section 480(f)(3) of the Higher Education Act of 1965 (20 U.S.C. 1087vv(f)(3)), as redesignated by subsection (f) of this section, is amended—

(1) in subparagraph (A), by striking ''or'';

(2) in subparagraph (B), by striking the period at the end and inserting ''; or''; and

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

''(C) a small business with not more than 100 full-time or full-time equivalent employees (or any part of such a small business) that is owned and controlled by the family.''.

(h) DESIGNATED ASSISTANCE.—Section 480(j) (20 U.S.C. 1087vv(j)) is amended by adding after paragraph (2) (as redesignated by subsection (f)(2)(D) of this section) the following new paragraph:

''(3) Notwithstanding paragraph (1) and section 472, assistance not received under this title may be excluded from both estimated financial assistance and cost of attendance, if that assistance is provided by a State and is designated by such State to offset a specific component of the cost of attendance. If that assistance is excluded from either estimated financial assistance or cost of attendance, it shall be excluded from both.''.

SEC. 2127. DEFINITION OF ELIGIBLE PROGRAM.

Section 481(b) (20 U.S.C. 1088(b)) is amended by adding at the end the following new paragraph:

''(3) For purposes of this title, an eligible program includes an instructional program that utilizes direct assessment of student learning, or recognizes the direct assessment of student learning, in lieu of credit hours or clock hours as the measure of student learning. In the case of a program being determined eligible for the first time under this paragraph, such determination shall be made by the Secretary before such program is considered to be eligible. The Secretary shall provide an annual report to Congress identifying the programs made eligible under this paragraph.''.

SEC. 2128. DISTANCE EDUCATION.

(a) DISTANCE EDUCATION: ELIGIBLE PROGRAM.—Section 481(b) (20 U.S.C. 1088(b)) is amended by adding after paragraph (3) (as added by section 2127 of this Act) the following new paragraph:

''(4) An otherwise eligible program that is offered in whole or in part through telecommunications is eligible for the purposes of this title if the program is offered by an institution, other than a foreign institution, that has been evaluated and determined (before or after the date of enactment of this paragraph) to have the capability to effectively deliver distance education programs by an accrediting agency or association that—

''(A) is recognized by the Secretary under subpart 2 of Part H; and

''(B) has evaluation of distance education programs within the scope of its recognition, as described in section 496(n)(3).''.

(b) CORRESPONDENCE COURSES.—Section 484(*l*)(1) (20 U.S.C. 1091(*l*)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking ''for a program of study of 1 year or longer''; and

(B) by striking ''unless the total'' and all that follows through ''courses at the institution''; and

(2) by amending subparagraph (B) to read as follows:

''(B) EXCEPTION.—Subparagraph (A) does not apply to an institution or school described in section 3(3)(C) of the Carl D. Perkins Vocational and Technical Education Act of 1998.''.

SEC. 2129. STUDENT ELIGIBILITY.

(a) FRAUD: REPAYMENT REQUIRED.—Section 484(a) (20 U.S.C. 1091(a)) is amended—

(1) by striking the period at the end of paragraph (5) and inserting ''; and''; and

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

''(6) if the student has been convicted of, or has pled nolo contendere or guilty to, a crime involving fraud in obtaining funds under this title, have completed the repayment of such funds to the Secretary, or to the holder in the case of a loan under this title obtained by fraud.''.

(b) TECHNICAL AMENDMENT.—Section 484(b)(5) (20 U.S.C. 1091(b)(5)) is amended by inserting ''or parent (on behalf of a student)'' after ''student''.

(c) LOAN INELIGIBILITY BASED ON INVOLUNTARY CIVIL COMMITMENT FOR SEXUAL OFFENSES.—Section 484(b)(5) (20 U.S.C. 1091(b)(5)) is further amended by inserting before the period the following: '', and no student who is subject to an involuntary civil commitment upon completion of a period of incarceration for a sexual offense (as determined under regulations of the Secretary) is eligible to receive a loan under this title''.

(d) FREELY ASSOCIATED STATES.—Section 484(j) (20 U.S.C. 1091(j)) is amended by inserting ''and shall be eligible only for assistance under subpart 1 of part A thereafter,'' after ''part C,''.

(e) VERIFICATION OF INCOME DATE.—Paragraph (1) of section 484(q) (20 U.S.C. 1091(q)) is amended to read as follows:

''(1) CONFIRMATION WITH IRS.—The Secretary of Education, in cooperation with the Secretary of the Treasury, is authorized to confirm with the Internal Revenue Service the information specified in section

6103(l)(13) of the Internal Revenue Code of 1986 reported by applicants (including parents) under this title on their Federal income tax returns for the purpose of verifying the information reported by applicants on student financial aid applications.''.

(f) SUSPENSION OF ELIGIBILITY FOR DRUG OFFENSES.—Section 484(r)(1) (20 U.S.C. 1091(r)(1)) is amended by striking everything preceding the table and inserting the following:

''(1) IN GENERAL.—A student who is convicted of any offense under any Federal or State law involving the possession or sale of a controlled substance for conduct that occurred during a period of enrollment for which the student was receiving any grant, loan, or work assistance under this title shall not be eligible to receive any grant, loan, or work assistance under this title from the date of that conviction for the period of time specified in the following table:''.

SEC. 2130. INSTITUTIONAL REFUNDS.

Section 484B (20 U.S.C. 1091b) is amended—

(1) in subsection (a)(1), by inserting ''subpart 4 of part A or'' after ''received under'';

(2) in subsection (a)(2), by striking ''takes a leave'' and by inserting ''takes one or more leaves'';

(3) in subsection (a)(3)(B)(ii), by inserting ''(as determined in accordance with subsection (d))'' after ''student has completed'';

(4) in subsection (a)(4), by amending subparagraph (A) to read as follows:

''(A) IN GENERAL.—After determining the eligibility of the student for a late disbursement or post-withdrawal disbursement (as required in regulations prescribed by the Secretary), the institution of higher education shall contact the borrower and obtain confirmation that the loan funds are still required by the borrower. In making such contact, the institution shall explain to the borrower the borrower's obligation to repay the funds following any such disbursement. The institution shall document in the borrower's file the result of such contact and the final determination made concerning such disbursement.'';

(5) in subsection (b)(1), by inserting ''no later than 45 days from the determination of withdrawal'' after ''return'';

(6) in subsection (b)(2), by amending subparagraph (C) to read as follows:

''(C) GRANT OVERPAYMENT REQUIREMENTS.—

''(i) IN GENERAL.—Notwithstanding subparagraphs (A) and (B), a student shall only be required to return grant assistance in the amount (if any) by which—

''(I) the amount to be returned by the student (as determined under subparagraphs (A) and (B)), exceeds

''(II) 50 percent of the total grant assistance received by the student under this title for the payment period or period of enrollment.

''(ii) MINIMUM.—A student shall not be required to return amounts of $50 or less.''; and

(7) in subsection (d), by striking ''(a)(3)(B)(i)'' and inserting ''(a)(3)(B)''.

SEC. 2131. COLLEGE ACCESS INITIATIVE.

Part G is further amended by inserting after section 485C (20 U.S.C. 1092c) the following new section:

''SEC. 485D. COLLEGE ACCESS INITIATIVE.

''(a) STATE-BY-STATE INFORMATION.—The Secretary shall direct each guaranty agency with which the Secretary has an agreement under section 428(c) to provide to the Secretary the information necessary for the development of web links and access for students and families to a comprehensive listing of the postsecondary education opportunities, programs, publications, Internet Web sites, and other services available in the States for which such agency serves as the designated guarantor.

''(b) GUARANTY AGENCY ACTIVITIES.—

''(1) PLAN AND ACTIVITY REQUIRED.—Each guaranty agency with which the Secretary has an agreement under section 428(c) shall develop a plan and undertake the activity necessary to gather the information required under subsection (a) and to make such information available to the public and to the Secretary in a form and manner as prescribed by the Secretary.

''(2) ACTIVITIES.—Each guaranty agency shall undertake such activities as are necessary to promote access to postsecondary education for students through providing information on college planning, career preparation, and paying for college. The guaranty agency shall publicize such information and coordinate such activities with other entities that either provide or distribute such information in the States for which such guaranty agency serves as the designated guarantor.

''(3) FUNDING.—The activities required by this section may be funded from the guaranty agency's operating account established pursuant to section 422B and, to the extent funds remain, from earnings on the restricted account established pursuant to section 422(h)(4).

''(c) ACCESS TO INFORMATION.—

''(1) SECRETARY'S RESPONSIBILITY.—The Secretary shall ensure the availability of the information provided by the guaranty agencies in accordance with this section to students, parents, and other interested individuals, through web links or other methods prescribed by the Secretary.

''(2) GUARANTY AGENCY RESPONSIBILITY.—The guaranty agencies shall ensure that the information required by this section is available without charge in printed format for students and parents requesting such information.

''(3) PUBLICITY.—Within 270 days after the date of enactment of the Higher Education Budget Reconciliation Act of 2005, the Secretary and guaranty agencies shall publicize the availability of the information required by this section, with special emphasis on ensuring that populations that are traditionally underrepresented in postsecondary education are made aware of the availability of such information.''.

SEC. 2132. CANCELLATION OF STUDENT LOAN INDEBTEDNESS FOR SURVIVORS OF VICTIMS OF THE SEPTEMBER 11, 2001, ATTACKS.

(a) DEFINITIONS.—For purposes of this section:

(1) ELIGIBLE PUBLIC SERVANT.—The term ''eligible public servant'' means an individual who, as determined in accordance with regulations of the Secretary—

(A) served as a police officer, firefighter, other safety or rescue personnel, or as a member of the Armed Forces; and

(B) died (or dies) or became (or becomes) permanently and totally disabled due to injuries suffered in the terrorist attacks on September 11, 2001.

(2) ELIGIBLE VICTIM.—The term ''eligible victim'' means an individual who, as determined in accordance with regulations of the Secretary, died (or dies) or became (or becomes) permanently and totally disabled due to injuries suffered in the terrorist attacks on September 11, 2001.

(3) ELIGIBLE PARENT.—The term ''eligible parent'' means the parent of an eligible victim if—

(A) the parent owes a Federal student loan that is a consolidation loan that was used to repay a PLUS loan incurred on behalf of such eligible victim; or

(B) the parent owes a Federal student loan that is a PLUS loan incurred on behalf of an eligible victim.

(4) SECRETARY.—The term ''Secretary'' means the Secretary of Education.

(5) FEDERAL STUDENT LOAN.—The term ''Federal student loan'' means any loan made, insured, or guaranteed under part B, D, or E of title IV of the Higher Education Act of 1965.

(b) RELIEF FROM INDEBTEDNESS.—

(1) IN GENERAL.—The Secretary shall provide for the discharge or cancellation of—

(A) the Federal student loan indebtedness of the spouse of an eligible public servant, as determined in accordance with regulations of the Secretary, including any consolidation loan that was used jointly by the eligible public servant and his or her spouse to repay the Federal student loans of the spouse and the eligible public servant;

(B) the portion incurred on behalf of the eligible victim (other than an eligible public servant), of a Federal student loan that is a consolidation loan that was used jointly by the eligible victim and his or her spouse, as determined in accordance with regulations of the Secretary, to repay the Federal student loans of the eligible victim and his or her spouse;

(C) the portion of the consolidation loan indebtedness of an eligible parent that was incurred on behalf of an eligible victim; and

(D) the PLUS loan indebtedness of an eligible parent that was incurred on behalf of an eligible victim.

(2) METHOD OF DISCHARGE OR CANCELLATION.—A loan required to be discharged or canceled under paragraph (1) shall be discharged or canceled by the method used under section 437(a), 455(a)(1), or 464(c)(1)(F) of the Higher Education Act of 1965 (20 U.S.C. 1087(a), 1087e(a)(1), 1087dd(c)(1)(F)), whichever is applicable to such loan.

(c) FACILITATION OF CLAIMS.—The Secretary shall—

(1) establish procedures for the filing of applications for discharge or cancellation under this section by regulations that shall be prescribed and published within 90 days after the date of enactment of this Act and without regard to the requirements of section 553 of title 5, United States Code; and

(2) take such actions as may be necessary to publicize the availability of discharge or cancellation of Federal student loan indebtedness under this section.

(d) AVAILABILITY OF FUNDS FOR PAYMENTS.—Funds available for the purposes of making payments to lenders in accordance with section 437(a) for the discharge of indebtedness of deceased or disabled individuals shall be available for making payments under section 437(a) to lenders of loans as required by this section.

(e) APPLICABLE TO OUTSTANDING DEBT.—The provisions of this section shall be applied to discharge or cancel only Federal student loans (including consolidation loans) on which amounts were owed on September 11, 2001. Nothing in this section shall be construed to authorize any refunding of any repayment of a loan.

SEC. 2133. INDEPENDENT EVALUATION OF DISTANCE EDUCATION PROGRAMS.

(a) INDEPENDENT EVALUATION.—The Secretary of Education shall enter into an agreement with the National Academy of Sciences to conduct a scientifically correct and statistically valid evaluation of the quality of distance education programs, as compared to campus-based education programs, at institutions of higher education. Such evaluation shall include—

(1) identification of the elements by which the quality of distance education, as compared to campus-based education, can be assessed, including elements such as subject matter, interactivity, and student outcomes;

(2) identification of distance and campus-based education program success, with respect to student achievement, in relation to

the mission of the institution of higher education; and

(3) identification of the types of students (including classification of types of students based on student age) who most benefit from distance education programs, the types of students who most benefit from campus-based education programs, and the types of students who do not benefit from distance education programs, by assessing elements including access to higher education, job placement rates, undergraduate graduation rates, and graduate and professional degree attainment rates.

(b) SCOPE.—The National Academy of Sciences shall select for participation in the evaluation under subsection (a) a diverse group of institutions of higher education with respect to size, mission, and geographic distribution.

(c) INTERIM AND FINAL REPORTS.—The agreement under subsection (a) shall require that the National Academy of Sciences submit to the Secretary of Education, the Committee on Health, Education, Labor and Pensions of the Senate, and the Committee on Education and the Workforce of the House of Representatives—

(1) an interim report regarding the evaluation under subsection (a) not later than December 31, 2007; and

(2) a final report regarding such evaluation not later than December 31, 2009.

SEC. 2134. DISBURSEMENT OF STUDENT LOANS.

Section 422(d) of the Higher Education Amendments of 1998 (Public Law 105–244; 112 Stat. 1696) is amended by adding at the end the following new sentence: ''Such amendments shall also be effective on and after July 1, 2006.''.

PART 2—HIGHER EDUCATION RELIEF

SEC. 2141. REFERENCES.

References in this part to ''the Act'' are references to the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

SEC. 2142. WAIVERS AND MODIFICATIONS.

Notwithstanding any other provision of law, unless enacted with specific reference to this section, the Secretary of Education is authorized to waive or modify any statutory or regulatory provision applicable to the student financial assistance programs under title IV of the Act, or any student or institutional eligibility provisions in the Act, as the Secretary of Education deems necessary in connection with a Gulf hurricane disaster to ensure that—

(1) the calculation of expected family contribution under section 474 of the Act used in the determination of need for student financial assistance under title IV of the Act for any affected student (and the determination of such need for his or her family, if applicable), is modified to reflect any changes in the financial condition of such affected student and his or her family resulting from a Gulf hurricane disaster; and

(2) institutions of higher education, systems of institutions, or consortia of institutions that are located in an area affected by a Gulf hurricane disaster, or that are serving affected students, are eligible, notwithstanding section 486(d) of the Act, to apply for participation in the distance education demonstration program under section 486 of the Act, except that the Secretary of Education shall include in reports under section 486(f) of the Act an identification of those institutions, systems, and consortia that were granted participation in the demonstration program due to a Gulf hurricane disaster.

SEC. 2143. CANCELLATION OF INSTITUTIONAL REPAYMENT BY COLLEGES AND UNIVERSITIES AFFECTED BY A GULF HURRICANE DISASTER.

Notwithstanding any provision of title IV of the Act or any regulation issued thereunder, the Secretary of Education shall cancel any obligation of an affected institution to return or repay any funds the institution received before the date of enactment of this Act for, or on behalf of, its students under subpart 1 or 3 of part A or parts B, C, D, or E of title IV of the Act for any cancelled enrollment period.

SEC. 2144. CANCELLATION OF STUDENT LOANS FOR CANCELLED ENROLLMENT PERIODS.

(a) LOAN FORGIVENESS AUTHORIZED.—Notwithstanding any provision of title IV of the Act, the Secretary shall discharge all loan amounts under parts B and D of title IV of the Act, and cancel any loan made under part E of such title, disbursed to, or on behalf of, an affected student for a cancelled enrollment period.

(b) REIMBURSEMENT.—The Secretary of Education shall—

(1) reimburse each affected institution for any amounts discharged under subsection (a) with respect to a loan under part E of title IV of the Act in the same manner as is required by section 465(b) of the Act with respect to a loan cancelled under section 465(a) of the Act; and

(2) reimburse lenders for the purpose of discharging any loan amounts disbursed to, or on behalf of, an affected student under part B of title IV of the Act for a cancelled enrollment period.

(c) LIMITATION ON CONSOLIDATION LOANS.—A loan amount for a loan made under section 428C of the Act or a Federal Direct Consolidation Loan may be eligible for discharge under this section only to the extent that such loan amount was used to repay a loan to an affected student for a cancelled enrollment period.

(d) CONSTRUCTION.—Nothing in this section shall be construed to authorize any refunding of any repayment of a loan.

SEC. 2145. TEMPORARY DEFERMENT OF STUDENT LOAN REPAYMENT.

An affected individual who is a borrower of a qualified student loan or a qualified parent loan shall be granted a deferment, not in excess of 6 months, during which periodic installments of principal need not be paid, and interest—

(1) shall accrue and be paid by the Secretary, in the case of a loan made under section 428, 428B, 428C, or 428H of the Act;

(2) shall accrue and be paid by the Secretary to the Perkins loan fund held by the institution of higher education that made the loan, in the case of a loan made under part E of title IV of the Act; and

(3) shall not accrue, in the case of a Federal Direct Loan made under part D of such title.

SEC. 2146. NO AFFECT ON GRANT AND LOAN LIMITS.

Notwithstanding any provision of title IV of the Act or any regulation issued thereunder, no grant or loan funds received by an affected student under title IV of the Act for a cancelled enrollment period shall be counted against such affected student's annual or aggregate grant or loan limits for the receipt of grants or loans under that title.

SEC. 2147. TEACHER LOAN RELIEF.

The Secretary of Education may waive the requirement of sections 428J(b)(1) and 460(b)(1)(A) of the Higher Education Act of 1965 that the 5 years of qualifying service be consecutive academic years for any teacher whose employment was interrupted if—

(1) the teacher was employed in qualifying service, at the time of a Gulf hurricane disaster, in a school located in an area affected by a Gulf hurricane disaster; and

(2) the teacher resumes qualifying service not later than the beginning of academic year 2006–2007 in that school or any other school in which employment is qualifying service under such section.

SEC. 2148. EXPANDING INFORMATION DISSEMINATION REGARDING ELIGIBILITY FOR PELL GRANTS.

(a) IN GENERAL.—The Secretary of Education shall make special efforts, in conjunction with State efforts, to notify affected students and if applicable, their parents, who qualify for means-tested Federal benefit programs, of their potential eligibility for a maximum Pell Grant, and shall disseminate such informational materials as the Secretary of Education deems appropriate.

(b) MEANS-TESTED FEDERAL BENEFIT PROGRAM.—For the purpose of this section, the term ''means-tested Federal benefit program'' means a mandatory spending program of the Federal Government, other than a program under the Act, in which eligibility for the program's benefits, or the amount of such benefits, or both, are determined on the basis of income or resources of the individual or family seeking the benefit, and may include such programs as the supplemental security income program under title XVI of the Social Security Act, the food stamp program under the Food Stamp Act of 1977, the free and reduced price school lunch program established under the Richard B. Russell National School Lunch Act, the temporary assistance to needy families program established under part A of title IV of the Social Security Act, and the women, infants, and children program established under section 17 of the Child Nutrition Act of 1966, and other programs identified by the Secretary of Education.

SEC. 2149. PROCEDURES.

(a) DEADLINES AND PROCEDURES.—Sections 482(c) and 492 of the Act (20 U.S.C. 1089(c), 1098a) shall not apply to any waivers, modifications, or actions initiated by the Secretary of Education under this part.

(b) CASE-BY-CASE BASIS.—The Secretary of Education is not required to exercise any waiver or modification authority under this part on a case-by-case basis.

SEC. 2150. TERMINATION OF AUTHORITY.

The authority of the Secretary of Education to issue waivers or modifications under this part shall expire at the conclusion of the 2005–2006 academic year, but the expiration of such authority shall not affect the continuing validity of any such waivers or modifications after such academic year.

SEC. 2151. DEFINITIONS.

For the purposes of this part, the following terms have the following meanings:

(1) AFFECTED INDIVIDUAL.—The term ''affected individual'' means an individual who has applied for or received student financial assistance under title IV of the Higher Education Act of 1965, and—

(A) who is an affected student; or

(B) whose primary place of employment or residency was, as of August 29, 2005, in an area affected by a Gulf hurricane disaster.

(2) AFFECTED INSTITUTION.—The term ''affected institution'' means an institution of higher education that—

(A) is located in an area affected by a Gulf hurricane disaster; and

(B) has temporarily ceased operations as a consequence of a Gulf hurricane disaster, as determined by the Secretary of Education.

(3) AFFECTED STATE.—The term ''affected State'' means the State of Alabama, Florida, Louisiana, Mississippi, or Texas.

(4) AFFECTED STUDENT.—The term ''affected student'' means an individual who has applied for or received student financial assistance under title IV of the Higher Education Act of 1965, and who—

(A) was enrolled or accepted for enrollment, as of August 29, 2005, at an institution of higher education in an area affected by a Gulf hurricane disaster;

(B) was a dependent student enrolled or accepted for enrollment at an institution of higher education that is not in an area affected by a Gulf hurricane disaster, but whose parents resided or were employed, as of August 29, 2005, in an area affected by a Gulf hurricane disaster; or

(C) was enrolled or accepted for enrollment at an institution of higher education, as of August 29, 2005, and whose attendance was interrupted because of a Gulf hurricane disaster.

(5) AREA AFFECTED BY A GULF HURRICANE DISASTER.—The term ''area affected by a Gulf hurricane disaster'' means a county or parish, in an affected State, that has been designated by the Federal Emergency Management Agency for disaster assistance for individuals and households as a result of Hurricane Katrina or Hurricane Rita.

(6) CANCELLED ENROLLMENT PERIOD.—The term ''cancelled enrollment period'' means any period of enrollment at an affected institution during the academic year 2005.

(7) GULF HURRICANE DISASTER.—The term ''Gulf hurricane disaster'' means a major disaster that the President declared to exist, in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act, and that was caused by Hurricane Katrina or Hurricane Rita.

(8) INSTITUTION OF HIGHER EDUCATION.—The term ''institution of higher education'' has the meaning given such term in section 102 of the Higher Education Act of 1965, except that the term does not include institutions under subsection (a)(1)(C) of that section.

(9) QUALIFIED STUDENT LOAN.—The term ''qualified student loan'' means any loan made, insured, or guaranteed under part B, D, or E of title IV of the Higher Education Act of 1965, other than a loan under section 428B of such title or a Federal Direct Plus loan.

(10) QUALIFIED PARENT LOAN.—The term ''qualified parent loan'' means a loan made under section 428B of title IV of the Higher Education Act of 1965 or a Federal Direct Plus loan.

Subtitle C—Pensions

SEC. 2201. INCREASES IN PBGC PREMIUMS.

(a) FLAT-RATE PREMIUMS.—Clause (i) of section 4006(a)(3)(A) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)) is amended by striking ''$19'' and inserting ''$30''.

(b) ADJUSTMENT FOR INFLATION.—Paragraph (3) of section 4006(a) of such Act (29 U.S.C. 1306(a)) is amended by adding at the end the following new subparagraph:

''(F) For each plan year beginning after 2006, there shall be substituted for the $30 dollar amount in subparagraph (A)(i) the amount equal to the product derived by multiplying the premium rate, as in effect under this paragraph immediately prior to such plan year for basic benefits guaranteed by the corporation under section 4022 for single-employer plans, by the ratio of—

''(i) the national average wage index (as defined in section 209(k)(1) of the Social Security Act) for the first of the 2 calendar years preceding the calendar year in which such plan year begins, to

''(ii) the national average wage index (as so defined) for the first of the 3 calendar years preceding the calendar year in which the plan year begins,

with such product, if not a multiple of $1, being rounded to the next higher multiple of $1 where such product is a multiple of $0.50 but not of $1, and to the nearest multiple of $1 in any other case.''.

(c) ADDITIONAL DISCRETIONARY INCREASE.—Paragraph (3) of section 4006(a) of such Act (as amended by subsection (b) of this section) is further amended by adding at the end the following new subparagraph:

''(G)(i) The corporation may increase under this subparagraph, effective for plan years commencing with or during any calendar year after 2006, the premium rate otherwise in effect under this section for basic benefits guaranteed by it under section 4022 for single-employer plans if the corporation determines that such increase is necessary to achieve actuarial soundness in the plan termination insurance program under this title.

''(ii) The amount of any premium rate described in clause (i), as increased under this subparagraph for plan years commencing with or during any calendar year, may not exceed by more than 20 percent the amount of the premium rate, in effect under this paragraph for plan years commencing with or during such calendar year for basic benefits guaranteed by the corporation under section 4022 for single-employer plans, as determined for plan years commencing with or during such calendar year without regard to this subparagraph.

''(iii) The preceding provisions of this subparagraph shall apply in connection with plan years commencing with or during any calendar year only if—

''(I) the corporation transmits to each House of the Congress and to the Comptroller General its proposal for the increase in the premium rate for plan years commencing with or during such calendar year, subject to Congressional review under chapter 8 of title 5 of the United States Code (relating to Congressional review of agency rulemaking) not later than 120 calendar days after the beginning of the preceding calendar year, and

''(II) a joint resolution disapproving such increase has not been enacted as provided in section 802 of such title, within the 60-day period described in section 802(a) of such title.

The proposal transmitted by the corporation shall include a description of the methodologies and assumptions used in formulating its proposal. At the time of the transmittal of any such proposal to each House of the Congress pursuant to subclause (I), the corporation shall transmit a copy of such proposal to the Committee on Education and the Workforce and the Committee on Ways and Means of the House of Representatives and the Committee on Health, Education, Labor, and Pensions and the Committee on Finance of the Senate. Any such proposal shall, for purposes of chapter 8 of such title 5, be treated as a rule which is a major rule.''.

(d) PREMIUM RATE FOR CERTAIN TERMINATED SINGLE-EMPLOYER PLANS.—Subsection (a) of section 4006 of such Act (29 U.S.C. 1306) is amended by adding at the end the following:

''(7) PREMIUM RATE FOR CERTAIN TERMINATED SINGLE-EMPLOYER PLANS.—

''(A) IN GENERAL.—If there is a termination of a single-employer plan under clause (ii) or (iii) of section 4041(c)(2)(B) or section 4042, there shall be payable to the corporation, with respect to each applicable 12-month period, a premium at a rate equal to $1,250 multiplied by the number of individuals who were participants in the plan immediately before the termination date. Such premium shall be in addition to any other premium under this section.

''(B) SPECIAL RULE FOR PLANS TERMINATED IN BANKRUPTCY REORGANIZATION.—If the plan is terminated under 4041(c)(2)(B)(ii) or under section 4042 and, as of the termination date, a person who is (as of such date) a contributing sponsor of the plan or a member of such sponsor's controlled group has filed or has had filed against such person a petition seeking reorganization in a case under title 11 of the United States Code, or under any similar law of a State or a political subdivision of a State (or a case described in section 4041(c)(2)(B)(i) filed by or against such person has been converted, as of such date, to such a case in which reorganization is sought), subparagraph (A) shall not apply to such plan until the date of the discharge of such person in such case.

''(C) APPLICABLE 12-MONTH PERIOD.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The term 'applicable 12-month period' means—

''(I) the 12-month period beginning with the first month following the month in which the termination date occurs, and

''(II) each of the first two 12-month periods immediately following the period described in subclause (I).

''(ii) PLANS TERMINATED IN BANKRUPTCY REORGANIZATION.—In any case in which the requirements of subparagraph (B) are met in connection with the termination of the plan with respect to 1 or more persons described in such subparagraph, the 12-month period described in clause (i)(I) shall be the 12-month period beginning with the first month following the month which includes the earliest date as of which each such person is discharged in the case described in such clause in connection with such person.

''(D) COORDINATION WITH SECTION 4007.—

''(i) Notwithstanding section 4007—

''(I) premiums under this paragraph shall be due within 30 days after the beginning of any applicable 12-month period, and

''(II) the designated payor shall be the person who is the contributing sponsor as of immediately before the termination date.

''(ii) The fifth sentence of section 4007(a) shall not apply in connection with premiums determined under this paragraph.''.

(e) CONFORMING AMENDMENTS.—

(1) Section 4006(a)(2) of such Act (29 U.S.C. 1306(a)(2)) is amended, in the matter following subparagraph (E), by inserting ''paragraph (3)(G) of this subsection or'' after ''Except as provided in''.

(2) Section 4006(b)(1) of such Act (29 U.S.C. 1306(b)(1)) is amended by inserting ''or a proposal for a premium rate increase under subsection (a)(3)(G)'' after ''or (E)''.

(f) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendments made by this section shall apply to plan years beginning after December 31, 2005.

(2) PREMIUM RATE FOR CERTAIN TERMINATED SINGLE-EMPLOYER PLANS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendment made by subsection (d) shall apply with respect to terminations for which the termination date occurs on or after the date of the enactment of this Act.

(B) TREATMENT OF CASES IN BANKRUPTCY.—In any case in which the requirements of subparagraph (B) of section 4007(a)(7) of the Employee Retirement Income Security Act of 1974 (as added by subsection (d)) are met in connection with the termination of the plan with respect to 1 or more persons described in such subparagraph, the amendment made by subsection (d) shall apply with respect to any such termination described in such subparagraph (B), notwithstanding subparagraph (A) of this paragraph, if the case under title 11, United States Code, or under any similar law of a State or political subdivision of a State (referred to in such subparagraph (B)) commenced after October 26, 2005.

(3) SPECIAL RULE IF SUBSEQUENT SAVINGS ENACTED.—The amendments made by this section shall not take effect if, after the date of enactment of this Act and before January 1, 2006, a Federal law is enacted which—

(A) provides for decreases in Federal outlays which in the aggregate are less than the decreases in Federal outlays by reason of the amendments made by this section; and

(B) specifically provides that such decreases are to be in lieu of the decreases in Federal outlays by reason of the amendments made by this section.

TITLE III—COMMITTEE ON ENERGY AND COMMERCE

Subtitle A—Medicaid

Sec. 3100. Short title of subtitle; rule of construction with regard to Katrina evacuees.

CHAPTER 1—PAYMENT FOR PRESCRIPTION DRUGS

Sec. 3101. Federal upper limit (FUL).
Sec. 3102. Collection and submission of utilization data for certain physician administered drugs.
Sec. 3103. Improved regulation of drugs sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act.
Sec. 3104. Children's hospital participation in section 340B drug discount program.
Sec. 3105. Improving patient outcomes through greater reliance on science and best practices.

CHAPTER 2—REFORM OF ASSET TRANSFER RULES

Sec. 3111. Lengthening look-back period; change in beginning date for period of ineligibility.
Sec. 3112. Disclosure and treatment of annuities and of large transactions.
Sec. 3113. Application of ''income-first'' rule in applying community spouse's income before assets in providing support of community spouse.
Sec. 3114. Disqualification for long-term care assistance for individuals with substantial home equity.
Sec. 3115. Enforceability of continuing care retirement communities (CCRC) and life care community admission contracts.

CHAPTER 3—FLEXIBILITY IN COST SHARING AND BENEFITS

Sec. 3121. State option for alternative medicaid premiums and cost sharing.
Sec. 3122. Special rules for cost sharing for prescription drugs.
Sec. 3123. Emergency room copayments for non-emergency care.
Sec. 3124. Use of benchmark benefit packages.
Sec. 3125. State option to establish non-emergency medical transportation program.
Sec. 3126. Exempting women covered under breast or cervical cancer program.

CHAPTER 4—EXPANDED ACCESS TO CERTAIN BENEFITS

Sec. 3131. Expanded access to home and community-based services for the elderly and disabled.
Sec. 3132. Optional choice of self-directed personal assistance services (cash and counseling).
Sec. 3133. Expansion of State long-term care partnership program.
Sec. 3134. Health opportunity accounts.

CHAPTER 5—OTHER PROVISIONS

Sec. 3141. Increase in medicaid payments to insular areas.
Sec. 3142. Managed care organization provider tax reform.
Sec. 3143. Medicaid transformation grants.
Sec. 3144. Enhancing third party identification and payment.
Sec. 3145. Improved enforcement of documentation requirements.
Sec. 3146. Reforms of targeted case management.
Sec. 3147. Emergency services furnished by non-contract providers for medicaid managed care enrollees.
Sec. 3148. Adjustment in computation of medicaid FMAP to disregard an extraordinary employer pension contribution.

Subtitle B—Katrina Health Care Relief

Sec. 3201. Targeted medicaid relief for States affected by Hurricane Katrina.
Sec. 3202. State high risk health insurance pool funding.
Sec. 3203. Recomputation of HPSA, MUA, and MUP designations within Hurricane Katrina affected areas.
Sec. 3204. Waiver of certain requirements applicable to the provision of health care in areas impacted by Hurricane Katrina.
Sec. 3205. FMAP hold harmless for Katrina impact.

Subtitle C—Katrina and Rita Energy Relief

Sec. 3301. Hurricanes Katrina and Rita energy relief.

Subtitle D—Digital Television Transition

Sec. 3401. Short title.
Sec. 3402. Findings.
Sec. 3403. Analog spectrum recovery: hard deadline.
Sec. 3404. Auction of recovered spectrum.
Sec. 3405. Digital Television Conversion Fund.
Sec. 3406. Public Safety Interoperable Communications Fund.
Sec. 3407. NYC 9/11 Digital Transition Fund.
Sec. 3408. Low-power television transition provisions.
Sec. 3409. Consumer education regarding analog televisions.
Sec. 3410. Additional provisions.
Sec. 3411. Deployment of broadband wireless technologies.
Sec. 3412. Sense of Congress.
Sec. 3413. Band plan revision required.

Subtitle A—Medicaid

SEC. 3100. SHORT TITLE OF SUBTITLE; RULE OF CONSTRUCTION WITH REGARD TO KATRINA EVACUEES.

(a) SHORT TITLE.—This subtitle may be cited as the ''Medicaid Reconciliation Act of 2005''.

(b) RULE OF CONSTRUCTION WITH REGARD TO KATRINA EVACUEES.—None of the provisions of the following chapters of this subtitle shall apply during the 11-month period beginning September 1, 2005, to individuals entitled to medical assistance under title XIX of the Social Security Act by reason of their residence in a parish in the State of Louisiana, or a county in the State of Mississippi or Alabama, for which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) as a result of Hurricane Katrina and which the President has determined, before September 14, 2005, warrants individual and public assistance from the Federal Government under such Act.

CHAPTER 1—PAYMENT FOR PRESCRIPTION DRUGS

SEC. 3101. FEDERAL UPPER LIMIT (FUL).

(a) IN GENERAL.—Subsection (e) of section 1927 of the Social Security Act (42 U.S.C. 1396r–8) is amended to read as follows:

''(e) PHARMACY REIMBURSEMENT LIMITS.—

''(1) FEDERAL UPPER LIMIT FOR INGREDIENT COST OF COVERED OUTPATIENT DRUGS.—

''(A) IN GENERAL.—Subject to subparagraph (B), no Federal financial participation shall be available for payment for the ingredient cost of a covered outpatient drug in excess of the Federal upper limit for that drug established under paragraph (2).

''(B) OPTIONAL CARVE OUT.—A State may elect not to apply subparagraph (A) to payment for either or both of the following:

''(i) Drugs dispensed by specialty pharmacies (such as those dispensing only immunosuppressive drugs), as defined by the Secretary.

''(ii) Drugs administered by a physician in a physician's office.

''(2) FEDERAL UPPER LIMIT.—

''(A) IN GENERAL.—Except as provided in subparagraph (D) and subject to paragraph (5), the Federal upper limit established under this paragraph for the ingredient cost of a—

''(i) single source drug, is 106 percent of the RAMP (as defined in subparagraph (B)(i)) for that drug; and

''(ii) multiple source drug, is 120 percent of the volume weighted average RAMP (as determined under subparagraph (C)) for that drug.

A drug product that is a single source drug and that becomes a multiple source drug shall continue to be treated under this subsection as a single source drug until the Secretary determines that there are sufficient data to compile the volume weighted average RAMP for that drug.

''(B) RAMP AND RELATED PROVISIONS.—For purposes of this subsection:

''(i) RAMP DEFINED.—The term 'RAMP' means, with respect to a covered outpatient drug by a manufacturer for a calendar quarter and subject to clauses (ii) and (iii), the average price paid to a manufacturer for the drug in the United States in the quarter by wholesalers for drugs distributed to retail pharmacies, excluding service fees that are paid by the manufacturer to an entity and that represent fair market value for a bona-fide service provided by the entity.

''(ii) SALES EXEMPTED FROM COMPUTATION.—The RAMP under clause (i) shall exclude any of the following:

''(I) Sales exempt from inclusion in the determination of best price under subsection (c)(1)(C)(i).

''(II) Such other sales as the Secretary identifies as sales to an entity that are merely nominal in amount under subsection (c)(1)(C)(ii)(III).

''(iii) SALE PRICE NET OF DISCOUNTS.—In calculating the RAMP under clause (i), such RAMP shall include any of the following:

''(I) Cash discounts and volume discounts.

''(II) Free goods that are contingent upon any purchase requirement.

''(III) Sales at a nominal price that are contingent upon any purchase requirement or agreement.

''(IV) Chargebacks, rebates (not including rebates provided under an agreement under this section), or any other direct or indirect discounts.

''(V) Any other price concessions, which may be based on recommendations of the Inspector General of the Department of Health and Human Services, that would result in a reduction of the cost to the purchaser.

''(iv) RETAIL PHARMACY.—For purposes of this subsection, the term 'retail pharmacy' does not include mail-order only pharmacies or any pharmacy at a nursing facility or home.

''(C) VOLUME WEIGHTED AVERAGE RAMP DEFINED.—For purposes of this subsection, for all drug products included within the same multiple source drug billing and payment code (or such other methodology as may be specified by the Secretary), the volume weighted average RAMP is the volume weighted average of the RAMPs reported under subsection (b)(3)(A)(iv) determined by—

''(i) computing the sum of the products (for each National Drug Code assigned to such drug products) of—

''(I) the manufacturer's RAMP (as defined in subparagraph (B)); and

''(II) the total number of units specified under section 1847A(b)(2) sold; and

''(ii) dividing the sum determined under clause (i) by the sum of the total number of units under clause (i)(II) for all National Drug Codes assigned to such drug products.

''(D) EXCEPTION FOR INITIAL SALES PERIODS.—

''(i) IN GENERAL.—In the case of a single source drug during an initial sales period (not to exceed 2 calendar quarters) in which data on sales for the drug are not sufficiently available from the manufacturer to compute the RAMP or the volume weighted average RAMP under subparagraph (C), the Federal upper limit for the ingredient cost of such drug during such period shall be the wholesale acquisition cost (as defined in clause (ii)) for the drug.

''(ii) WHOLESALE ACQUISITION COST.—For purposes of clause (i), the term 'wholesale acquisition cost' means, with respect to a single source drug, the manufacturer's list price for the drug to wholesalers or direct purchasers in the United States, not including prompt pay or other discounts, rebates or reductions in price, for the most recent month for which the information is available, as reported in wholesale price guides or other publications of drug or biological pricing data.

''(E) UPDATES; DATA COLLECTION.—

''(i) FREQUENCY OF DETERMINATION.—The Secretary shall update the Federal upper limits applicable under this paragraph on at least a quarterly basis, taking into account the most recent data collected for purposes of determining such limits and the Food and Drug Administration's most recent publication of 'Approved Drug Products with Therapeutic Equivalence Evaluations'.

''(ii) COLLECTION OF DATA.—Data on RAMP is collected under subsection (b)(3)(A)(iv).

''(F) AUTHORITY TO ENTER CONTRACTS.—The Secretary may enter into contracts with appropriate entities to determine RAMPs and other data necessary to calculate the Federal upper limit for a covered outpatient drug established under this subsection and to calculate that payment limit.

''(3) DISPENSING FEES.—

''(A) IN GENERAL.—A State which provides medical assistance for covered outpatient drugs shall pay a dispensing fee for each covered outpatient drug in accordance with this paragraph. A State may vary the amount of such dispensing fees, including taking into account the special circumstances of pharmacies that are serving rural or underserved areas or that are sole community pharmacies, so long as such variation is consistent with subparagraph (B).

''(B) DISPENSING FEE PAYMENT FOR MULTIPLE SOURCE DRUGS.—A State shall establish a dispensing fee under this title for a covered outpatient drug that is treated as a multiple source drug under paragraph (2)(A) (whether or not it may be an innovator multiple source drug) in an amount that is not less than $8 per prescription unit. The Secretary shall define what constitutes a prescription unit for purposes of the previous sentence.

''(4) EFFECT ON STATE MAXIMUM ALLOWABLE COST LIMITATIONS.—This section shall not supersede or affect provisions in effect prior to January 1, 1991, or after December 31, 1994, relating to any maximum allowable cost limitation established by a State for payment by the State for covered outpatient drugs, and rebates shall be made under this section without regard to whether or not payment by the State for such drugs is subject to such a limitation or the amount of such a limitation.

''(5) EVALUATION OF USE OF RETAIL SURVEY PRICE METHODOLOGY.—

''(A) IN GENERAL.—The Secretary may develop a methodology to set the Federal upper limit based on the reported retail survey price, as most recently reported under subparagraph (C), instead of a percentage of RAMP or volume weighted average RAMP as described in paragraph (2).

''(B) INITIAL APPLICATION.—For 2007, the Secretary may use this methodology for a limited number of covered outpatient drugs, including both single source and multiple source drugs, selected by the Secretary in a manner so as to be representative of the classes of drugs dispensed under this title.

''(C) DETERMINATION OF RETAIL SURVEY PRICE FOR COVERED OUTPATIENT DRUGS.—

''(i) USE OF VENDOR.—The Secretary may contract services for the determination of retail survey prices for covered outpatient drugs that represent a nationwide average of pharmacy sales costs for such drugs, net of all discounts and rebates. Such a contract shall be awarded for a term of 2 years.

''(ii) USE OF COMPETITIVE BIDDING.—In contracting for such services, the Secretary shall competitively bid for an outside vendor that has a demonstrated history in—

''(I) surveying and determining, on a representative nationwide basis, retail prices for ingredient costs of prescription drugs;

''(II) working with retail pharmacies, commercial payers, and States in obtaining and disseminating such price information; and

''(III) collecting and reporting such price information on at least a monthly basis.

''(iii) ADDITIONAL PROVISIONS.—A contract with a vendor under this subparagraph shall include such terms and conditions as the Secretary shall specify, including the following:

''(I) The vendor must monitor the marketplace and report to the Secretary each time there is a new covered outpatient drug available nationwide.

''(II) The vendor must update the Secretary no less often than monthly on the retail survey prices for multiple source drugs.

''(III) The vendor must apply methods for independently confirming retail survey prices.

''(iv) AVAILABILITY OF INFORMATION TO STATES.—Information on retail survey prices obtained under this subparagraph, including applicable information on single source drugs, shall be provided to States on an ongoing, timely basis.

''(D) STATE USE OF RETAIL SURVEY PRICE DATA.—

''(i) DISTRIBUTION OF PRICE DATA.—The Secretary shall devise and implement a means for electronic distribution to each State agency designated under section 1902(a)(5) with responsibility for the administration or supervision of the administration of the State plan under this title of the retail survey price determined under this paragraph.

''(ii) AUTHORITY TO ESTABLISH PAYMENT RATES BASED ON DATA.—A State may use the price data received in accordance with clause (i) in establishing payment rates for the ingredient costs and dispensing fees for covered outpatient drugs dispensed to individuals eligible for medical assistance under this title.

''(6) LIMITATION ON JUDICIAL REVIEW.—There shall be no administrative or judicial review of—

''(A) the Secretary's determinations of Federal upper limits, RAMPs, and volume weighted average RAMPs under this subsection, including the assignment of National Drug Codes to billing and payment classes;

''(B) the Secretary's disclosure to States of the average manufacturer prices, RAMPs, volume weighted average RAMPs, and retail survey prices;

''(C) determinations under this subsection by the Secretary of covered outpatient drugs which are dispensed by a specialty pharmacy or administered by a physician in a physician's office;

''(D) the contracting and calculations process under this subsection; and

''(E) the method to allocate rebates, chargebacks, and other price concessions to a quarter if specified by the Secretary.''.

(b) CONFORMING AMENDMENTS.—

(1) REPORTING RAMP-RELATED INFORMATION.—Subsection (b)(3)(A) of such section is amended—

(A) by striking ''and'' at the end of clause (ii);

(B) by striking the period at the end of clause (iii) and inserting ''; and''; and

(C) by inserting after clause (iii) the following new clause:

''(iv) for calendar quarters beginning on or after July 1, 2006, in conjunction with reporting required under clause (i) and by National Drug Code (including package size)—

''(I) the manufacturer's RAMP (as defined in subsection (e)(2)(B)(i)) and the total number of units required to compute the volume weighted average RAMP under subsection (e)(2)(C);

''(II) if required to make payment under subsection (e)(2)(D), the manufacturer's wholesale acquisition cost, as defined in clause (ii) of such subsection; and

''(III) information on those sales that were made at a nominal price or otherwise described in subsection (e)(2)(B)(ii)(II);

for all covered outpatient drugs.''.

(2) DISCLOSURE TO STATES.—Subsection (b)(3)(D) of such section is amended—

(A) by striking ''and'' at the end of clause (ii);

(B) by striking the period at the end of clause (iii) and inserting '', and''; and

(C) by inserting after clause (iii) the following new clause:

''(iv) to States to carry out this title.''.

(3) LIMITATIONS ON FEDERAL FINANCIAL PARTICIPATION.—Section 1903(i) of such Act (42 U.S.C. 1396b(i)) is amended—

(A) in paragraph (10)(A), by striking ''and'' at the end;

(B) in paragraph (10)(B), by striking ''or'' at the end and inserting ''and'';

(C) by adding at the end of paragraph (10) the following:

''(C) with respect to any amount expended for the ingredient cost of a covered outpatient drug that exceeds the Federal upper limit for that drug established and applied under section 1927(e); or''; and

(D) in paragraph (21), as inserted by section 104(b) of Public Law 109–91, by inserting before the period at the end the following: ''or described in subparagraph (B) or (C) of section 1927(d)(2)''.

(c) EFFECTIVE DATE.—Except as otherwise provided, the amendments made by this section take effect with respect to a State on the later of—

(1) January 1, 2007; or

(2) the date that is 6 months after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act.

(d) GAO STUDY ON DISPENSING FEES '', ESTIMATED PAYMENT AMOUNTS, AND PHARMACY ACQUISITION COSTS''.—The Comptroller General of the United States shall conduct a study on the appropriateness in payment levels to pharmacies for dispensing fees under the medicaid program, including payment to specialty pharmacies '', and on whether the estimated average payment amounts to pharmacies for covered outpatient drugs

under the medicaid program after implementation of the amendments made by this section are below the average prices paid by pharmacies for acquiring such drugs.'' Not later than 9 months after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on such study.

(e) SECRETARIAL AUTHORITY TO DELAY IMPLEMENTATION.—The Secretary of Health and Human Services may delay the implementation of the amendments made by subsections (a) and (b)(3)(C) for a period of not more than 1 year, if the Comptroller General finds, in the study conducted under subsection (d), that the estimated average payment amounts to pharmacies for covered outpatient drugs under the medicaid program after implementation of such amendments are below the average prices paid by pharmacies for acquiring such drugs. If the Secretary delays the implementation of such amendments under this subsection, the Secretary shall transmit to Congress, prior to the termination of the period of delay, a report containing specific recommendations for legislation to establish a more equitable payment system.

(f) IG REPORT ON USE OF RAMP AND RETAIL SURVEY PRICES.—Not later than 2 years after the date of the enactment of this Act, the Inspector General of the Department of Health and Human Services shall submit to Congress a report on the appropriateness of using RAMPs and retail survey prices, rather than the average manufacturer prices or other price measures, as the basis for establishing a Federal upper limit for reimbursement for covered outpatient drugs under the medicaid program.

SEC. 3102. COLLECTION AND SUBMISSION OF UTILIZATION DATA FOR CERTAIN PHYSICIAN ADMINISTERED DRUGS.

(a) IN GENERAL.—Section 1927(a) of the Social Security Act (42 U.S.C. 1396r–8(a)) is amended by adding at the end the following new paragraph:

''(7) REQUIREMENT FOR SUBMISSION OF UTILIZATION DATA FOR CERTAIN PHYSICIAN ADMINISTERED DRUGS.—

''(A) SINGLE SOURCE DRUGS.—In order for payment to be available under section 1903(a) for a covered outpatient drug that is a single source drug that is physician administered (as determined by the Secretary), and that is administered on or after January 1, 2006, the State shall provide for the submission of such utilization data and coding (such as J-codes and National Drug Code numbers) for each such drug as the Secretary may specify as necessary to identify the manufacturer of the drug in order to secure rebates under this section for drugs administered for which payment is made under this title.

''(B) MULTIPLE SOURCE DRUGS.—

''(i) IN GENERAL.—Not later than January 1, 2007, the information shall be submitted under subparagraph (A) using National Drug Code codes unless the Secretary specifies that an alternative coding system should be used.

''(ii) IDENTIFICATION OF MOST FREQUENTLY PHYSICIAN ADMINISTERED MULTIPLE SOURCE DRUGS.—Not later than January 1, 2007, the Secretary shall publish a list of the 20 physician administered multiple source drugs that the Secretary determines have the highest dollar volume of physician administered drugs dispensed under this title. The Secretary may modify such list from year to year to reflect changes in such volume.

''(iii) REQUIREMENT.—In order for payment to be available under section 1903(a) for a covered outpatient drug that is a multiple source drug that is physician administered (as determined by the Secretary), that is on the list published under clause (ii), and that is administered on or after January 1, 2008, the State shall provide for the submission of such utilization data and coding (such as J-codes and National Drug Code numbers) for each such drug as the Secretary may specify as necessary to identify the manufacturer of the drug in order to secure rebates under this section.

''(C) HARDSHIP WAIVER.—The Secretary may delay the application of subparagraph (A) or (B), or both, in the case of a State to prevent hardship to States which require additional time to implement the reporting system required under the respective subparagraph.''.

(b) LIMITATION ON PAYMENT.—Section 1903(i)(10) of such Act (42 U.S.C. 1396b(i)(10)), as amended by section 3101(b)(3), is amended—

(1) by striking ''and'' at the end of subparagraph (B);

(2) by striking ''or'' at the end of subparagraph (C) and inserting ''and''; and

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

''(D) with respect to covered outpatient drugs described in section 1927(a)(7), unless information respecting utilization data and coding on such drugs that is required to be submitted under such section is submitted in accordance with such section; or''.

SEC. 3103. IMPROVED REGULATION OF DRUGS SOLD UNDER A NEW DRUG APPLICATION APPROVED UNDER SECTION 505(c) OF THE FEDERAL FOOD, DRUG, AND COSMETIC ACT.

(a) INCLUSION WITH OTHER REPORTED AVERAGE MANUFACTURER AND BEST PRICES.—Section 1927(b)(3)(A) of the Social Security Act (42 U.S.C. 1396r–8(b)(3)(A)) is amended—

(1) by striking clause (i) and inserting the following:

''(i) not later than 30 days after the last day of each rebate period under the agreement—

''(I) on the average manufacturer price (as defined in subsection (k)(1)) for covered outpatient drugs for the rebate period under the agreement (including for all such drugs that are sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act); and

''(II) for single source drugs and innovator multiple source drugs (including all such drugs that are sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act), on the manufacturer's best price (as defined in subsection (c)(1)(C)) for such drugs for the rebate period under the agreement;''; and

(2) in clause (ii), by inserting ''(including for such drugs that are sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act)'' after ''drugs''.

(b) CONFORMING AMENDMENTS.—Section 1927 of such Act (42 U.S.C. 1396r–8) is amended—

(1) in subsection (c)(1)(C)—

(A) in clause (i), in the matter preceding subclause (I), by inserting after ''or innovator multiple source drug of a manufacturer'' the following: ''(including any other such drug of a manufacturer that is sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act)''; and

(B) in clause (ii)—

(i) in subclause (II), by striking ''and'' at the end;

(ii) in subclause (III), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(IV) in the case of a manufacturer that approves, allows, or otherwise permits any other drug of the manufacturer to be sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act, shall be inclusive of the lowest price for such authorized drug available from the manufacturer during the rebate period to any wholesaler, retailer, provider, health maintenance organization, nonprofit entity, or governmental entity within the United States, excluding those prices described in subclauses (I) through (IV) of clause (i).''; and

(2) in subsection (k)—

(A) in paragraph (1)—

(i) by striking ''The term'' and inserting the following:

''(A) IN GENERAL.—The term''; and

(ii) by adding at the end the following:

''(B) INCLUSION OF SECTION 505(c) DRUGS.—In the case of a manufacturer that approves, allows, or otherwise permits any drug of the manufacturer to be sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act, such term shall be inclusive of the average price paid for such authorized drug by wholesalers for drugs distributed to the retail pharmacy class of trade, after deducting customary prompt pay discounts.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 3104. CHILDREN'S HOSPITAL PARTICIPATION IN SECTION 340B DRUG DISCOUNT PROGRAM.

(a) IN GENERAL.—Section 1927(a)(5)(B) of the Social Security Act (42 U.S.C. 1396r–8(a)(5)(B)) is amended by inserting before the period at the end the following: ''and a children's hospital described in section 1886(d)(1)(B)(iii) which meets the requirements of clauses (i) and (iii) of section 340B(b)(4)(L) of the Public Health Service Act and which would meet the requirements of clause (ii) of such section if that clause were applied by taking into account the percentage of care provided by the hospital to patients eligible for medical assistance under a State plan under this title''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to drugs purchased on or after the date of the enactment of this Act.

SEC. 3105. IMPROVING PATIENT OUTCOMES THROUGH GREATER RELIANCE ON SCIENCE AND BEST PRACTICES.

(a) IN GENERAL.—Section 1927 of Social Security Act (42 U.S.C. 1396r–8) is amended—

(1) in subsection (d)(5)—

(A) in the matter before subparagraph (A), by striking ''providing for such approval—'' and inserting ''providing for such approval meets the following requirements:'';

(B) in subparagraph (A)—

(i) by inserting ''The system'' before ''provides''; and

(ii) by striking ''; and'' and inserting a period;

(C) in subparagraph (B)—

(i) by striking ''except'' and inserting ''Except''; and

(ii) by inserting ''the system'' before ''provides''; and

(D) by adding at the end the following new subparagraphs:

''(C) The system provides that an atypical antipsychotic or antidepressant single source drug may be placed on a list of drugs subject to prior authorization only where a drug use review board has determined, based on the strength of the scientific evidence and standards of practice, including assessing peer-reviewed medical literature, pharmacoeconomic studies, outcomes research data and such other information as the board determines to be appropriate, that placing the drug on prior approval or otherwise imposing restrictions on its use is not likely to harm patients or increase overall medical costs.

''(D) The system provides that where a response is not received to a request for authorization of an atypical antipsychotic or

antidepressant drug prescribed within 24 hours after the prescription is transmitted, payment is made for a 30 day supply of a medication that the prescriber certifies is medically necessary.''; and

(2) in subsection (g)(3)(C), by inserting after clause (iii) the following new clause:

''(iv) The development and oversight of prior authorization programs described in subsection (d)(5).''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on January 1, 2007.

CHAPTER 2—REFORM OF ASSET TRANSFER RULES

SEC. 3111. LENGTHENING LOOK-BACK PERIOD; CHANGE IN BEGINNING DATE FOR PERIOD OF INELIGIBILITY.

(a) LENGTHENING LOOK-BACK PERIOD FOR ALL DISPOSALS TO 5 YEARS.—Section 1917(c)(1)(B)(i) of the Social Security Act (42 U.S.C. 1396p(c)(1)(B)(i)) is amended by inserting ''or in the case of any other disposal of assets made on or after the date of the enactment of the Medicaid Reconciliation Act of 2005'' before '', 60 months''.

(b) CHANGE IN BEGINNING DATE FOR PERIOD OF INELIGIBILITY.—Section 1917(c)(1)(D) of such Act (42 U.S.C. 1396p(c)(1)(D)) is amended—

(1) by striking ''(D) The date'' and inserting ''(D)(i) In the case of a transfer of asset made before the date of the enactment of the Medicaid Reconciliation Act of 2005, the date''; and

(2) by adding at the end the following new clause:

''(ii) In the case of a transfer of asset made on or after the date of the enactment of the Medicaid Reconciliation Act of 2005, the date specified in this subparagraph is the first day of a month during or after which assets have been transferred for less than fair market value, or the date on which the individual is eligible for medical assistance under the State plan and is receiving services described in subparagraph (C) but for the application of the penalty period, whichever is later, and which does not occur during any other period of ineligibility under this subsection.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers made on or after the date of the enactment of this Act.

(d) AVAILABILITY OF HARDSHIP WAIVERS.—Each State shall provide for a hardship waiver process in accordance with section 1917(c)(2)(D) of the Social Security Act (42 U.S.C. 1396p(c)(2)(D))—

(1) under which an undue hardship exists when application of the transfer of assets provision would deprive the individual—

(A) of medical care such that the individual's health or life would be endangered; or

(B) of food, clothing, shelter, or other necessities of life; and

(2) which provides for—

(A) notice to recipients that an undue hardship exception exists;

(B) a timely process for determining whether an undue hardship waiver will be granted; and

(C) a process under which an adverse determination can be appealed.

(e) ADDITIONAL PROVISIONS ON HARDSHIP WAIVERS.—

(1) APPLICATION BY FACILITY.—Section 1917(c)(2) of the Social Security Act (42 U.S.C. 1396p(c)(2)) is amended—

(A) by striking the semicolon at the end of subparagraph (D) and inserting a period; and

(B) by adding after and below such subparagraph the following:

''The procedures established under subparagraph (D) shall permit the facility in which the institutionalized individual is residing to file an undue hardship waiver application on behalf of the individual with the consent of the individual or the legal guardian of the individual.''.

(2) AUTHORITY TO MAKE BED HOLD PAYMENTS FOR HARDSHIP APPLICANTS.—Such section is further amended by adding at the end the following: ''While an application for an undue hardship waiver is pending under subparagraph (D) in the case of an individual who is a resident of a nursing facility, if the application meets such criteria as the Secretary specifies, the State may provide for payments for nursing facility services in order to hold the bed for the individual at the facility, but not in excess of payments for 30 days.''.

SEC. 3112. DISCLOSURE AND TREATMENT OF ANNUITIES AND OF LARGE TRANSACTIONS.

(a) IN GENERAL.—Section 1917 of the Social Security Act (42 U.S.C. 1396p) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

''(e)(1) In order to meet the requirements of this section for purposes of section 1902(a)(18), a State shall require, as a condition for the provision of medical assistance for services described in subsection (c)(1)(C)(i) (relating to long-term care services) for an individual, the application of the individual for such assistance (including any recertification of eligibility for such assistance) shall disclose the following:

''(A) A description of any interest the individual or community spouse has in an annuity (or similar financial instrument which provides for the conversion of a countable asset to a noncountable asset, as may be specified by the Secretary), regardless of whether the annuity is irrevocable or is treated as an asset.

''(B) Full information (as specified by the Secretary) concerning any transaction involving the transfer or disposal of assets during the previous period of 60 months, if the transaction exceeded $100,000, without regard to whether the transfer or disposal was for fair market value. For purposes of applying the previous sentence under this subsection, all transactions of $5,000 or more occurring within a 12-month period shall be treated as a single transaction. The dollar amounts specified in the first and second sentences of this subparagraph shall be increased, beginning with 2007, from year to year based on the percentage increase in the consumer price index for all urban consumers (all items; United States city average), rounded to the nearest $1,000 in the case of the first sentence and $100 in the case of the second sentence.

Such application or recertification form shall include a statement that under paragraph (2) the State becomes a remainder beneficiary under such an annuity or similar financial instrument by virtue of the provision of such medical assistance.

''(2)(A) In the case of any annuity in which an institutionalized individual or community spouse has an interest, if medical assistance is furnished to the individual for services described in subsection (c)(1)(C)(i), by virtue of the provision of such assistance the State becomes the remainder beneficiary in the first position for the total amount of such medical assistance paid on behalf of the individual under this title (or, where there is a community spouse or minor or disabled child in such first position, in the position immediately succeeding the position of such spouse or child or both).

''(B) In the case of disclosure concerning an annuity under paragraph (1)(A), the State shall notify the issuer of the annuity of the right of the State under subparagraph (A) as a preferred remainder beneficiary in the annuity for medical assistance furnished to the individual. Nothing in this paragraph shall be construed as preventing such an issuer from notifying persons with any other remainder interest of the State's remainder interest under subparagraph (A).

''(C) In the case of such an issuer receiving notice under subparagraph (B), the State may require the issuer to notify the State when there is a change in the amount of income or principal being withdrawn from the amount that was being withdrawn at the time of the most recent disclosure described in paragraph (1)(A). A State shall take such information into account in determining the amount of the State's obligations for medical assistance or in the individual's eligibility for such assistance.

''(3)(A) For purposes of subsection (c)(1), a transaction described in paragraph (1)(B) shall be deemed as the transfer of an asset for less than fair market value unless the individual demonstrates to the satisfaction of the State that the transfer of the asset was for fair market value.

''(B) The Secretary may provide guidance to States on categories of arms length transactions (such as the purchase of a commercial annuity) that could be generally treated as a transfer of asset for fair market value.

''(4) Nothing in this subsection shall be construed as preventing a State from denying eligibility for medical assistance for an individual based on the income or resources derived from an annuity described in paragraph (1)(A).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions (including the purchase of an annuity) occurring on or after the date of the enactment of this Act.

SEC. 3113. APPLICATION OF "INCOME-FIRST" RULE IN APPLYING COMMUNITY SPOUSE'S INCOME BEFORE ASSETS IN PROVIDING SUPPORT OF COMMUNITY SPOUSE.

(a) IN GENERAL.—Section 1924(d) of the Social Security Act (42 U.S.C. 1396r–5(d)) is amended by adding at the end the following new paragraph:

''(6) APPLICATION OF 'INCOME FIRST' RULE FOR FUNDING COMMUNITY SPOUSE MONTHLY INCOME ALLOWANCE.—For purposes of this subsection and subsection (e), any transfer or allocation made from an institutionalized spouse to meet the need of a community spouse for a community spouse monthly income allowance under paragraph (1)(B) shall be first made from income of the institutionalized spouse and then only when the income is not available from the resources of such institutionalized spouse.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to transfers and allocations made on or after the date of the enactment of this Act by individuals who become institutionalized spouses on or after such date.

SEC. 3114. DISQUALIFICATION FOR LONG-TERM CARE ASSISTANCE FOR INDIVIDUALS WITH SUBSTANTIAL HOME EQUITY.

(a) IN GENERAL.—Section 1917 of the Social Security Act, as amended by section 3112, is further amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f)(1) Notwithstanding any other provision of this title, subject to paragraph (2), in determining eligibility of an individual for medical assistance with respect to nursing facility services or other long-term care services, the individual shall not be eligible for such assistance if the individual's equity interest in the individual's home exceeds $750,000. The dollar amount specified in the preceding sentence shall be increased, beginning with 2011, from year to year based on the percentage increase in the consumer

price index for all urban consumers (all items; United States city average), rounded to the nearest $1,000.

''(2) Paragraph (1) shall not apply with respect to an individual if—

''(A) the spouse of such individual, or

''(B) such individual's child who is under age 21, or (with respect to States eligible to participate in the State program established under title XVI) is blind or permanently and totally disabled, or (with respect to States which are not eligible to participate in such program) is blind or disabled as defined in section 1614,

is lawfully residing in the individual's home.

''(3) Nothing in this subsection shall be construed as preventing an individual from using a reverse mortgage or home equity loan to reduce the individual's total equity interest in the home.

''(4) The Secretary shall establish a process whereby paragraph (1) is waived in the case of a demonstrated hardship.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to individuals who are determined eligible for medical assistance with respect to nursing facility services or other long-term care services based on an application filed on or after January 1, 2006.

SEC. 3115. ENFORCEABILITY OF CONTINUING CARE RETIREMENT COMMUNITIES (CCRC) AND LIFE CARE COMMUNITY ADMISSION CONTRACTS.

(a) ADMISSION POLICIES OF NURSING FACILITIES.—Section 1919(c)(5) of the Social Security Act (42 U.S.C. 1396r(c)(5)) is amended—

(1) in subparagraph (A)(i)(II), by inserting ''subject to clause (v),'' after ''(II)''; and

(2) by adding at the end of subparagraph (B) the following new clause:

''(v) TREATMENT OF CONTINUING CARE RETIREMENT COMMUNITIES ADMISSION CONTRACTS.—Notwithstanding subclause (II) of subparagraph (A)(i), subject to subsections (c) and (d) of section 1924, contracts for admission to a State licensed, registered, certified, or equivalent continuing care retirement community or life care community, including services in a nursing facility that is part of such community, may require residents to spend on their care resources declared for the purposes of admission before applying for medical assistance.''.

(b) TREATMENT OF ENTRANCE FEES.—Section 1917 of such Act (42 U.S.C. 1396p), as amended by sections 3112(a) and 3114(a), is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

''(g) TREATMENT OF ENTRANCE FEES OF INDIVIDUALS RESIDING IN CONTINUING CARE RETIREMENT COMMUNITIES.—

''(1) IN GENERAL.—For purposes of determining an individual's eligibility for, or amount of, benefits under a State plan under this title, the rules specified in paragraph (2) shall apply to individuals residing in continuing care retirement communities or life care communities that collect an entrance fee on admission from such individuals.

''(2) TREATMENT OF ENTRANCE FEE.—For purposes of this subsection, an individual's entrance fee in a continuing care retirement community or life care community shall be considered a resource available to the individual to the extent that—

''(A) the individual has the ability to use the entrance fee, or the contract provides that the entrance fee may be used, to pay for care should other resources or income of the individual be insufficient to pay for such care;

''(B) the individual is eligible for a refund of any remaining entrance fee when the individual dies or terminates the continuing care retirement community or life care community contract and leaves the community; and

''(C) the entrance fee does not confer an ownership interest in the continuing care retirement community or life care community.

''(3) TREATMENT IN RELATION TO SPOUSAL SHARE.—To the extent that an entrance fee is determined to be an available resource to an individual applying for medical assistance and the individual has a community spouse as defined in section 1924(h), the entrance fee shall be considered in the computation of spousal share pursuant to section 1924(c).''.

CHAPTER 3—FLEXIBILITY IN COST SHARING AND BENEFITS

SEC. 3121. STATE OPTION FOR ALTERNATIVE MEDICAID PREMIUMS AND COST SHARING.

(a) IN GENERAL.—Title XIX of the Social Security Act is amended by inserting after section 1916 the following new section:

''STATE OPTION FOR ALTERNATIVE PREMIUMS AND COST SHARING

''SEC. 1916A. (a) STATE FLEXIBILITY.—

''(1) IN GENERAL.—Notwithstanding sections 1916 and 1902(a)(10)(B), a State, at its option and through a State plan amendment, may impose premiums and cost sharing for any group of individuals (as specified by the State) and for any type of services (and may vary such premiums and cost sharing among such groups or types, including through the use of tiered cost sharing for prescription drugs) consistent with the limitations established under this section. Nothing in this section shall be construed as superseding (or preventing the application of) section 1916(g).

''(2) DEFINITIONS.—In this section:

''(A) PREMIUM.—The term 'premium' includes any enrollment fee or similar charge.

''(B) COST SHARING.—The term 'cost sharing' includes any deduction, deductible, copayment, or similar charge.

''(b) LIMITATIONS ON EXERCISE OF AUTHORITY.—

''(1) INDIVIDUALS WITH FAMILY INCOME BELOW 100 PERCENT OF POVERTY LEVEL.—In the case of an individual whose family income does not exceed 100 percent of the Federal poverty level applicable to a family of the size involved, subject to subsections (c)(2) and (e)(2)(A), the limitations otherwise provided under subsections (a) and (b) of section 1916 shall continue to apply and no premium will be imposed under the plan, except that the total annual aggregate amount of cost sharing imposed (including any increased cost sharing imposed under subsection (c) or (e)) for all individuals in the family may not exceed 5 percent of the family income of the family involved for the year involved.

''(2) INDIVIDUALS WITH FAMILY INCOME ABOVE 100 PERCENT OF POVERTY LEVEL.—In the case of an individual whose family income exceeds 100 percent of the Federal poverty level applicable to a family of the size involved, the total annual aggregate amount of premiums and cost sharing imposed (including any increase and cost sharing imposed under subsection (c) or (e)) for all individuals in the family may not exceed 5 percent of the family income of the family involved for the year involved.

''(3) ADDITIONAL LIMITATIONS.—

''(A) PREMIUMS.—No premiums shall be imposed under this section with respect to the following:

''(i) Individuals under 18 years of age that are required to be provided medical assistance under section 1902(a)(10)(A)(i), and including individuals with respect to whom adoption or foster care assistance is made available under part E of title IV without regard to age.

''(ii) Pregnant women.

''(iii) Any terminally ill individual who is receiving hospice care (as defined in section 1905(o)).

''(iv) Any individual who is an inpatient in a hospital, nursing facility, intermediate care facility for the mentally retarded, or other medical institution, if such individual is required, as a condition of receiving services in such institution under the State plan, to spend for costs of medical care all but a minimal amount of the individual's income required for personal needs.

''(B) COST SHARING.—Subject to the succeeding provisions of this section, no cost sharing shall be imposed under this section with respect to the following:

''(i) Services furnished to individuals under 18 years of age that are required to be provided medical assistance under section 1902(a)(10)(A)(i), and including services furnished to individuals with respect to whom adoption or foster care assistance is made available under part E of title IV without regard to age.

''(ii) Preventive services (such as well baby and well child care and immunizations) provided to children under 18 years of age regardless of family income.

''(iii) Services furnished to pregnant women, if such services relate to the pregnancy or to any other medical condition which may complicate the pregnancy.

''(iv) Services furnished to a terminally ill individual who is receiving hospice care (as defined in section 1905(o)).

''(v) Services furnished to any individual who is an inpatient in a hospital, nursing facility, intermediate care facility for the mentally retarded, or other medical institution, if such individual is required, as a condition of receiving services in such institution under the State plan, to spend for costs of medical care all but a minimal amount of the individual's income required for personal needs.

''(vi) Emergency services (as defined by the Secretary for purposes of section 1916(a)(2)(D)).

''(vii) Family planning services and supplies described in section 1905(a)(4)(C).

''(C) CONSTRUCTION.—Nothing in this paragraph shall be construed as preventing a State from exempting additional classes of individuals from premiums under this section or from exempting additional individuals or services from cost sharing under this section.

''(4) INDEXING NOMINAL AMOUNTS.—In applying section 1916 under paragraph (1) with respect to cost sharing that is 'nominal' in amount, the Secretary shall increase such 'nominal' amounts for each year (beginning with 2006) by the annual percentage increase in the medical care component of the consumer price index for all urban consumers (U.S. city average) as rounded up in an appropriate manner.''.

''(5) DETERMINATIONS OF FAMILY INCOME.—In applying this subsection, family income shall be determined in a manner specified by the State for purposes of this subsection, including the use of such disregards as the State may provide. Family income shall be determined for such period and at such periodicity as the State may provide under this title.

''(6) POVERTY LINE DEFINED.—For purposes of this section, the term 'poverty line' has the meaning given such term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section.

''(7) CONSTRUCTION.—Nothing in this section shall be construed—

''(A) as preventing a State from further limiting the premiums and cost sharing imposed under this section beyond the limitations provided under this subsection;

''(B) as affecting the authority of the Secretary through waiver to modify limitations

on premiums and cost sharing under this subsection; or

''(C) as affecting any such waiver of requirements in effect under this title before the date of the enactment of this section with regard to the imposition of premiums and cost sharing.

''(d) ENFORCEABILITY OF PREMIUMS AND OTHER COST SHARING.—

''(1) PREMIUMS.—Notwithstanding section 1916(c)(3) and section 1902(a)(10)(B), a State may, at its option, condition the provision of medical assistance for an individual upon prepayment of a premium authorized to be imposed under this section, or may terminate eligibility for such medical assistance on the basis of failure to pay such a premium but shall not terminate eligibility of an individual for medical assistance under this title on the basis of failure to pay any such premium until such failure continues for a period of not less than 60 days. A State may apply the previous sentence for some or all groups of beneficiaries as specified by the State and may waive payment of any such premium in any case where the State determines that requiring such payment would create an undue hardship.

''(2) COST SHARING.—Notwithstanding section 1916(e) or any other provision of law, a State may permit a provider participating under the State plan to require, as a condition for the provision of care, items, or services to an individual entitled to medical assistance under this title for such care, items, or services, the payment of any cost sharing authorized to be imposed under this section with respect to such care, items, or services. Nothing in this paragraph shall be construed as preventing a provider from reducing or waiving the application of such cost sharing.''.

(b) CONFORMING AMENDMENT.—Section 1916(f) of such Act (42 U.S.C. 1396o(f)) is amended by inserting ''and section 1916A'' after ''(b)(3)''.

(c) GAO STUDY OF IMPACT OF PREMIUMS AND COST SHARING.—The Comptroller General of the United States shall conduct a study on the impact of premiums and cost sharing under the medicaid program on access to, and utilization of, services. Not later than January 1, 2008, the Comptroller General shall submit to Congress a report on such study.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to cost sharing imposed for items and services furnished on or after January 1, 2006.

SEC. 3122. SPECIAL RULES FOR COST SHARING FOR PRESCRIPTION DRUGS.

(a) IN GENERAL.—Section 1916A of the Social Security Act, as inserted by section 3121, is amended by inserting after subsection (b) the following new subsection:

''(c) SPECIAL RULES FOR COST SHARING FOR PRESCRIPTION DRUGS.—

''(1) IN GENERAL.—In order to encourage beneficiaries to use drugs (in this subsection referred to as 'preferred drugs') identified by the State as the least (or less) costly effective prescription drugs within a class of drugs (as defined by the State), with respect to one or more groups of beneficiaries specified by the State, subject to paragraphs (2) and (5), the State may—

''(A) provide an increase in cost sharing (above the nominal level otherwise permitted under section 1916 or subsection (b), but subject to paragraphs (2) and (3)) with respect to drugs that are not preferred drugs within a class; and

''(B) waive or reduce the cost sharing otherwise applicable for preferred drugs within such class and shall not apply any such cost sharing for such preferred drugs for individuals for whom cost sharing may not otherwise be imposed under subsection (b)(3)(B).

''(2) LIMITATIONS.—

''(A) BY INCOME GROUP AS A MULTIPLE OF NOMINAL AMOUNTS.—In no case may the increase in cost sharing under paragraph (1)(A) with respect to a non-preferred drug exceed, in the case of an individual whose family income is—

''(i) below 100 percent of the poverty line applicable to a family of the size involved, the amount of nominal cost sharing (as otherwise determined under subsection (b));

''(ii) at least 100 percent, but below 150 percent, of the poverty line applicable to a family of the size involved, two times the amount of nominal cost sharing (as otherwise determined under subsection (b)); or

''(iii) at least 150 percent of the poverty line applicable to a family of the size involved, three times the amount of nominal cost sharing (as otherwise determined under subsection (b)).

''(B) LIMITATION TO NOMINAL FOR EXEMPT POPULATIONS.—In the case of an individual who is otherwise not subject to cost sharing due to the application of subsection (b)(3), any increase in cost sharing under paragraph (1)(A) with respect to a non-preferred drug may not exceed a nominal amount (as otherwise determined under subsection (b)).

''(C) CONTINUED APPLICATION OF AGGREGATE CAP.—In addition to the limitations imposed under subparagraphs (A) and (B), any increase in cost sharing under paragraph (1)(A) continues to be subject to the aggregate cap on cost sharing applied under paragraph (1) or (2) of subsection (b), as the case may be.

''(D) TRICARE PHARMACY BENEFIT PROGRAM LIMITATIONS.—In no case may a State—

''(i) treat as a non-preferred drug under this subsection a drug that is treated as a preferred drug under the TRICARE pharmacy benefit program established under section 1074g of title 10, United States Code, as such program is in effect on the date of the enactment of this section; or

''(ii) impose cost sharing under this subsection that exceeds the cost sharing imposed under the standards under such pharmacy benefit program, as such program is in effect as of the date of the enactment of this section.

''(3) WAIVER.—In carrying out paragraph (1), a State shall provide for the application of cost sharing levels applicable to a preferred drug in the case of a drug that is not a preferred drug if the prescribing physician determines that the preferred drug for treatment of the same condition either would not be as effective for the individual or would have adverse effects for the individual or both.

''(4) EXCLUSION AUTHORITY.—Nothing in this subsection shall be construed as preventing a State from excluding from paragraph (1) specified drugs or classes of drugs.

''(5) PRIOR AUTHORIZATION AND APPEALS PROCESS.—A State may not provide for increased cost sharing under this subsection unless the State has implemented for outpatient prescription drugs a system for prior authorization and an appeals process for determinations relating to prior authorization.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to cost sharing imposed for items and services furnished on or after October 1, 2006.

SEC. 3123. EMERGENCY ROOM COPAYMENTS FOR NON-EMERGENCY CARE.

(a) IN GENERAL.—Section 1916A of the Social Security Act, as inserted by section 3121 and as amended by section 3122, is further amended by adding at the end the following new subsection:

''(e) STATE OPTION FOR IMPOSING COST SHARING FOR NON-EMERGENCY CARE FURNISHED IN AN HOSPITAL EMERGENCY ROOM.—

''(1) IN GENERAL.—Notwithstanding section 1916 or the previous provisions of this section, but subject to the limitations of paragraph (2), a State may, by amendment to its State plan under this title, impose cost sharing for non-emergency services furnished to an individual (within one or more groups of individuals specified by the State) in a hospital emergency department under this subsection if the following conditions are met:

''(A) ACCESS TO NON-EMERGENCY ROOM PROVIDER.—The individual has actually available and accessible (as such terms are applied by the Secretary under section 1916(b)(3)) an alternate non-emergency services provider with respect to such services.

''(B) NOTICE.—The physician or hospital must inform the beneficiary after the appropriate screening assessment, but before providing the non-emergency services, of the following:

''(i) The hospital may require the payment of the State specified cost sharing before the service can be provided.

''(ii) The name and location of an alternate non-emergency services provider (described in subparagraph (A)) that is actually available and accessible (as described in such subparagraph).

''(iii) The fact that such alternate provider can provide the services without the imposition of the increase in cost sharing described in clause (i).

''(iv) The hospital provides a referral to coordinate scheduling of this treatment.

Nothing in this subsection shall be construed as preventing a State from applying (or waiving) cost sharing otherwise permissible under this section to services described in clause (iii).

''(2) LIMITATIONS.—

''(A) FOR POOREST BENEFICIARIES.—In the case of an individual described in subsection (b)(1), the cost sharing imposed under this subsection may not exceed twice the amount determined to be nominal under this section, subject to the percent of income limitation otherwise applicable under subsection (b)(1).

''(B) APPLICATION TO EXEMPT POPULATIONS.—In the case of an individual who is otherwise not subject to cost sharing under subsection (b)(3), a State may impose cost sharing under paragraph (1) for care in an amount that does not exceed a nominal amount (as otherwise determined under subsection (b)) so long as no cost sharing is imposed to receive such care through an outpatient department or other alternative health care provider in the geographic area of the hospital emergency department involved.

''(C) CONTINUED APPLICATION OF AGGREGATE CAP.—In addition to the limitations imposed under subparagraphs (A) and (B), any increase in cost sharing under paragraph (1) continues to be subject to the aggregate cap on cost sharing applied under paragraph (1) or (2) of subsection (b), as the case may be.

''(3) CONSTRUCTION.—Nothing in this section shall be construed—

''(A) to limit a hospital's obligations with respect to screening and stabilizing treatment of an emergency medical condition under section 1867; or

''(B) to modify any obligations under either State or Federal standards relating to the application of a prudent-layperson standard with respect to payment or coverage of emergency services by any managed care organization.

''(4) DETERMINATION STANDARD.—No hospital or physician that makes a determination with respect to the imposition of cost sharing under this subsection shall be liable in any civil action or proceeding for such determination absent a finding by clear and convincing evidence of gross negligence by

the hospital or physician. The previous sentence shall not affect any liability under section 1867 or otherwise applicable under State law based upon the provision (or failure to provide) care.

''(5) DEFINITIONS.—For purposes of this subsection:

''(A) NON-EMERGENCY SERVICES.—The term 'non-emergency services' means any care or services furnished in a emergency department of a hospital that the physician determines do not constitute an appropriate medical screening examination or stabilizing examination and treatment screening required to be provided by the hospital under section 1867.

''(B) ALTERNATE NON-EMERGENCY SERVICES PROVIDER.—The term 'alternative non-emergency services provider' means, with respect to non-emergency services for the diagnosis or treatment of a condition, a health care provider, such as a physician's office, health care clinic, community health center, hospital outpatient department, or similar health care provider, that provides clinically appropriate services for such diagnosis or treatment of the condition within a clinically appropriate time of the provision of such non-emergency services and that is participating in the program under this title.''.

(b) GRANT FUNDS FOR ESTABLISHMENT OF ALTERNATE NON-EMERGENCY SERVICES PROVIDERS.—Section 1903 of the Social Security Act (42 U.S.C. 1396b) is amended by adding at the end the following new subsection:

''(x) PAYMENTS FOR ESTABLISHMENT OF ALTERNATE NON-EMERGENCY SERVICES PROVIDERS.—

''(1) PAYMENTS.—In addition to the payments otherwise provided under subsection (a), subject to paragraph (2), the Secretary shall provide for payments to States under such subsection for the establishment of alternate non-emergency service providers (as defined in section 1916A(f)(5)(B)), or networks of such providers.

''(2) LIMITATION.—The total amount of payments under this subsection shall be equal to, and shall not exceed, $100,000,000 during the four-year period beginning with 2006. This subsection constitutes budget authority in advance of appropriations Acts and represents the obligation of the Secretary to provide for the payment of amounts provided under this subsection.

''(3) PREFERENCE.—In providing for payments to States under this subsection, the Secretary shall provide preference to States that establish, or provide for, alternate non-emergency services providers or networks of such providers that—

''(A) serve rural or underserved areas where beneficiaries under this title may not have regular access to providers of primary care services; or

''(B) are in partnership with local community hospitals.

''(4) FORM AND MANNER OF PAYMENT.—Payment to a State under this subsection shall be made only upon the filing of such application in such form and in such manner as the Secretary shall specify. Payment to a State under this subsection shall be made in the same manner as other payments under section 1903(a).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to non-emergency services furnished on or after the date of the enactment of this Act.

SEC. 3124. USE OF BENCHMARK BENEFIT PACKAGES.

Title XIX of the Social Security Act is amended by redesignating section 1936 as section 1937 and by inserting after section 1935 the following new section:

''STATE FLEXIBILITY IN BENEFIT PACKAGES

''SEC. 1936. (a) STATE OPTION OF PROVIDING BENCHMARK BENEFITS.—

''(1) AUTHORITY.—

''(A) IN GENERAL.—Notwithstanding any other provision of this title, a State, at its option as a State plan amendment, may provide for medical assistance under this title to individuals within one or more groups of individuals specified by the State through enrollment in coverage that provides—

''(i) benchmark coverage described in subsection (b)(1) and, for a qualifying child, benchmark dental coverage as defined in subparagraph (F); or

''(ii) benchmark equivalent coverage described in subsection (b)(2)and, for a qualifying child, benchmark dental coverage as defined in subparagraph (F).

''(B) LIMITATION.—The State may only exercise the option under subparagraph (A) for eligibility categories that had been established before the date of the enactment of this section.

''(C) OPTION OF WRAP-AROUND BENEFITS.—In the case of coverage described in subparagraph (A), a State, at its option, may provide such wrap-around or additional benefits as the State may specify.

''(D) TREATMENT AS MEDICAL ASSISTANCE.—Payment of premiums for such coverage under this subsection shall be treated as payment of other insurance premiums described in the third sentence of section 1905(a).

''(E) QUALIFYING CHILD DEFINED.—For purposes of subparagraph (A), the term 'qualifying child' means a child under 18 years of age with a family income below 133 percent of the poverty line applicable to a family of the size involved.

''(F) BENCHMARK DENTAL COVERAGE.—For purposes of subparagraph (A), the term 'benchmark dental coverage' means, with respect to a State, dental benefits coverage that is equivalent to or better than the dental coverage offered under the dental benefit plan that covers the greatest number of individuals in the State who are not entitled to medical assistance under this title.

''(2) APPLICATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), a State may require that a full-benefit eligible individual (as defined in subparagraph (C)) within a group obtain benefits under this title through enrollment in coverage described in paragraph (1)(A). A State may apply the previous sentence to individuals within one or more groups of such individuals.

''(B) LIMITATION ON APPLICATION.—A State may not require under subparagraph (A) an individual to obtain benefits through enrollment described in paragraph (1)(A) if the individual is within one of the following categories of individuals:

''(i) MANDATORY PREGNANT WOMEN AND CHILDREN.—The individual is a pregnant woman or child under 18 years of age who is required to be covered under the State plan under section 1902(a)(10)(A)(i).

''(ii) DUAL ELIGIBLES.—The individual is entitled to benefits under any part of title XVIII.

''(iii) TERMINALLY ILL HOSPICE PATIENTS.—The individual is terminally ill and is receiving benefits for hospice care under this title.

''(iv) ELIGIBLE ON BASIS OF INSTITUTIONALIZATION.—The individual is an inpatient in a hospital, nursing facility, intermediate care facility for the mentally retarded, or other medical institution, and is required, as a condition of receiving services in such institution under the State plan, to spend for costs of medical care all but a minimal amount of the individual's income required for personal needs.

''(v) MEDICALLY FRAIL AND SPECIAL MEDICAL NEEDS INDIVIDUALS.—The individual is medically frail or otherwise an individual with special medical needs (as identified in accordance with regulations of the Secretary).

''(vi) BENEFICIARIES QUALIFYING FOR LONG-TERM CARE SERVICES.—The individual qualifies based on medical condition for medical assistance for long-term care services described in section 1917(c)(1)(C).

''(C) FULL-BENEFIT ELIGIBLE INDIVIDUALS.—

''(i) IN GENERAL.—For purposes of this paragraph, subject to clause (ii), the term 'full-benefit eligible individual' means for a State for a month an individual who is determined eligible by the State for medical assistance for all services defined in section 1905(a) which are covered under the State plan under this title for such month under section 1902(a)(10)(A) or under any other category of eligibility for medical assistance for all such services under this title, as determined by the Secretary.

''(ii) EXCLUSION OF MEDICALLY NEEDY AND SPEND-DOWN POPULATIONS.—Such term shall not include an individual determined to be eligible by the State for medical assistance under section 1902(a)(10)(C) or by reason of section 1902(f) or otherwise eligible based on a reduction of income based on costs incurred for medical or other remedial care.

''(b) BENCHMARK BENEFIT PACKAGES.—

''(1) IN GENERAL.—For purposes of subsection (a)(1), each of the following coverage shall be considered to be benchmark coverage:

''(A) FEHBP-EQUIVALENT HEALTH INSURANCE COVERAGE.—The standard Blue Cross/Blue Shield preferred provider option service benefit plan, described in and offered under section 8903(1) of title 5, United States Code.

''(B) STATE EMPLOYEE COVERAGE.—A health benefits coverage plan that is offered and generally available to State employees in the State involved.

''(C) COVERAGE OFFERED THROUGH HMO.—The health insurance coverage plan that—

''(i) is offered by a health maintenance organization (as defined in section 2791(b)(3) of the Public Health Service Act), and

''(ii) has the largest insured commercial, non-medicaid enrollment of covered lives of such coverage plans offered by such a health maintenance organization in the State involved.

''(2) BENCHMARK-EQUIVALENT COVERAGE.—For purposes of subsection (a)(1), coverage that meets the following requirement shall be considered to be benchmark-equivalent coverage:

''(A) INCLUSION OF BASIC SERVICES.—The coverage includes benefits for items and services within each of the following categories of basic services:

''(i) Inpatient and outpatient hospital services.

''(ii) Physicians' surgical and medical services.

''(iii) Laboratory and x-ray services.

''(iv) Well-baby and well-child care, including age-appropriate immunizations.

''(v) Other appropriate preventive services, as designated by the Secretary.

''(B) AGGREGATE ACTUARIAL VALUE EQUIVALENT TO BENCHMARK PACKAGE.—The coverage has an aggregate actuarial value that is at least actuarially equivalent to one of the benchmark benefit packages described in paragraph (1).

''(C) SUBSTANTIAL ACTUARIAL VALUE FOR ADDITIONAL SERVICES INCLUDED IN BENCHMARK PACKAGE.—With respect to each of the following categories of additional services for which coverage is provided under the benchmark benefit package used under subparagraph (B), the coverage has an actuarial value that is equal to at least 75 percent of the actuarial value of the coverage of that category of services in such package:

''(i) Coverage of prescription drugs.

''(ii) Mental health services.

''(iii) Vision services.

''(iv) Hearing services.

''(3) DETERMINATION OF ACTUARIAL VALUE.—The actuarial value of coverage of benchmark benefit packages shall be set forth in an actuarial opinion in an actuarial report that has been prepared—

''(A) by an individual who is a member of the American Academy of Actuaries;

''(B) using generally accepted actuarial principles and methodologies;

''(C) using a standardized set of utilization and price factors;

''(D) using a standardized population that is representative of the population involved;

''(E) applying the same principles and factors in comparing the value of different coverage (or categories of services);

''(F) without taking into account any differences in coverage based on the method of delivery or means of cost control or utilization used; and

''(G) taking into account the ability of a State to reduce benefits by taking into account the increase in actuarial value of benefits coverage offered under this title that results from the limitations on cost sharing under such coverage.

The actuary preparing the opinion shall select and specify in the memorandum the standardized set and population to be used under subparagraphs (C) and (D).

''(4) COVERAGE OF RURAL HEALTH CLINIC AND FQHC SERVICES.—Notwithstanding the previous provisions of this section, a State may not provide for medical assistance through enrollment of an individual with benchmark coverage or benchmark equivalent coverage under this section unless—

''(A) the individual has access, through such coverage or otherwise, to services described in subparagraphs (B) and (C) of section 1905(a)(2); and

''(B) payment for such services is made in accordance with the requirements of section 1902(bb).''.

SEC. 3125. STATE OPTION TO ESTABLISH NON-EMERGENCY MEDICAL TRANSPORTATION PROGRAM.

(a) IN GENERAL.—Section 1902(a) of the Social Security Act (42 U.S.C. 1396a(a)) is amended—

(1) in paragraph (66), by striking ''and'' at the end;

(2) in paragraph (67) by striking the period at the end and inserting ''; and''; and

(3) by inserting after paragraph (67) the following:

''(68) at the option of the State and notwithstanding paragraph (10)(B) or (23), provide for the establishment of a non-emergency medical transportation brokerage program in order to more cost-effectively provide transportation for individuals eligible for medical assistance under the State plan who need access to medical care or services and have no other means of transportation which—

''(A) may include a wheelchair van, taxi, stretcher car, bus passes and tickets, secured transportation, and such other transportation as the Secretary determines appropriate; and

''(B) may be conducted under contract with a broker who—

''(i) is selected through a competitive bidding process based on the State's evaluation of the broker's experience, performance, references, resources, qualifications, and costs;

''(ii) has oversight procedures to monitor beneficiary access and complaints and ensure that transport personnel are licensed, qualified, competent, and courteous;

''(iii) is subject to regular auditing and oversight by the State in order to ensure the quality of the transportation services provided and the adequacy of beneficiary access to medical care and services; and

''(iv) complies with such requirements related to prohibitions on referrals and conflict of interest as the Secretary shall establish (based on the prohibitions on physician referrals under section 1877 and such other prohibitions and requirements as the Secretary determines to be appropriate).''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date of the enactment of this Act.

(c) IG REPORT ON UTILIZATION.—Not later than January 1, 2007, the Inspector General of the Department of Health and Human Services shall submit to Congress a report that examines the non-emergency medical transportation brokerage programs implemented under section 1902(a)(68) of the Social Security Act, as inserted by subsection (a). The report shall include findings regarding conflicts of interest and improper utilization of transportation services under such programs, as well as recommendations for improvements in such programs.

SEC. 3126. EXEMPTING WOMEN COVERED UNDER BREAST OR CERVICAL CANCER PROGRAM.

Notwithstanding any other provision of law, none of provisions of the previous sections of this chapter, or amendments made by such sections, shall apply to women who are receiving medical assistance by virtue of the application of sections 1902(a)(10)(A)(ii)(XVIII) and 1902(aa) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(ii)(XVIII), 1396a(aa)).

CHAPTER 4—EXPANDED ACCESS TO CERTAIN BENEFITS

SEC. 3131. EXPANDED ACCESS TO HOME AND COMMUNITY-BASED SERVICES FOR THE ELDERLY AND DISABLED.

(a) IN GENERAL.—Section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) is amended—

(1) in paragraph (27), by striking ''and'' at the end;

(2) by redesignating paragraph (28) as paragraph (29); and

(3) by inserting after paragraph (27) the following new paragraph:

''(28) subject to section 1902(cc), home and community-based services (within the scope of services described in paragraph (4)(B) of section 1915(c) for which the Secretary has the authority to approve a waiver and not including room and board) provided pursuant to a written plan of care for individuals—

''(A) who are 65 years of age or older, who are disabled (as defined under the State plan), who are persons with developmental disabilities or mental retardation or persons with related conditions, or who are within a subgroup thereof under the State plan;

''(B) with respect to whom there has been a determination, in the manner described in paragraph (1) of such section, that but for the provision of such services the individuals would require the level of care provided in a hospital, a nursing facility, or an intermediate care facility for the mentally retarded the cost of which could be reimbursed under the State plan; and

''(C) who qualify for medical assistance under the eligibility standards in effect in the State (which may include standards in effect under an approved waiver) as of the date of the enactment of this paragraph; and''.

(b) CONDITIONS.—Section 1902 of such Act (42 U.S.C. 1396a) is amended by adding at the end the following new subsection:

''(cc) PROVISION OF HOME AND COMMUNITY-BASED SERVICES UNDER STATE PLAN.—

''(1) CONDITIONS.—A State may provide home and community-based services under section 1905(a)(28), other than through a waiver or demonstration project under section 1915 or 1115, only if the following conditions are met:

''(A) EXPIRATION OF PREVIOUS WAIVER.—Any State waiver or demonstration project under either such section with respect to services for individuals described in such section has expired.

''(B) INFORMATION.—The State must monitor and report to the Secretary, in a form and manner specified by the Secretary and on a quarterly basis, enrollment and expenditures for provision of such services under such section.

''(2) OPTIONS.—Notwithstanding any other provision of this title, in a State's provision of services under section 1905(a)(28)—

''(A) a State is not required to comply with the requirements of section 1902(a)(1) (relating to statewideness), section 1902(a)(10)(B) (relating to comparability), and section 1902(a)(10)(C)(i)(III) (relating to income and resource rules applicable in the community);

''(B) a State may limit the number of individuals who are eligible for such services and may establish waiting lists for the receipt of such services; and

''(C) a State may limit the amount, duration, and scope of such services.

Nothing in this section shall be construed as applying the previous sentence to any items or services other than home and community-based services provided under section 1905(a)(28).

''(3) USE OF ELECTRONIC DATA.—The State shall permit health care providers to comply with documentation and data requirements imposed with respect to home and community-based services through the maintenance of data in electronic form rather than in paper form.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to home and community-based services furnished on or after October 1, 2006.

SEC. 3132. OPTIONAL CHOICE OF SELF-DIRECTED PERSONAL ASSISTANCE SERVICES (CASH AND COUNSELING).

(a) EXEMPTION FROM CERTAIN REQUIREMENTS.—Section 1915 of the Social Security Act (42 U.S.C. 1396n) is amended by adding at the end the following new subsection:

''(i)(1) A State may provide, as 'medical assistance', payment for part or all of the cost of self-directed personal assistance services (other than room and board) under the plan which are provided pursuant to a written plan of care to individuals with respect to whom there has been a determination that, but for the provision of such services, the individuals would require and receive personal care services under the plan, or home and community-based services provided pursuant to a waiver under subsection (c). Self-directed personal assistance services may not be provided under this subsection to individuals who reside in a home or property that is owned, operated, or controlled by a provider of services, not related by blood or marriage.

''(2) The Secretary shall not grant approval for a State self-directed personal assistance services program under this section unless the State provides assurances satisfactory to the Secretary of the following:

''(A) Necessary safeguards have been taken to protect the health and welfare of individuals provided services under the program, and to assure financial accountability for funds expended with respect to such services.

''(B) The State will provide, with respect to individuals who—

''(i) are entitled to medical assistance for personal care services under the plan, or receive home and community-based services under a waiver granted under subsection (c);

''(ii) may require self-directed personal assistance services; and

''(iii) may be eligible for self-directed personal assistance services,

an evaluation of the need for personal care under the plan, or personal services under a waiver granted under subsection (c).

''(C) Such individuals who are determined to be likely to require personal care under the plan, or home and community-based services under a waiver granted under subsection (c) are informed of the feasible alternatives, if available under the State's self-directed personal assistance services program, at the choice of such individuals, to the provision of personal care services under the plan, or personal assistance services under a waiver granted under subsection (c).

''(D) The State will provide for a support system that ensures participants in the self-directed personal assistance services program are appropriately assessed and counseled prior to enrollment and are able to manage their budgets. Additional counseling and management support may be provided at the request of the participant.

''(E) The State will provide to the Secretary an annual report on the number of individuals served and total expenditures on their behalf in the aggregate. The State shall also provide an evaluation of overall impact on the health and welfare of participating individuals compared to non-participants every three years.

''(3) A State may provide self-directed personal assistance services under the State plan without regard to the requirements of section 1902(a)(1) and may limit the population eligible to receive these services and limit the number of persons served without regard to section 1902(a)(10)(B).

''(4)(A) For purposes of this subsection, the term 'self-directed personal assistance services' means personal care and related services, or home and community-based services otherwise available under the plan under this title or subsection (c), that are provided to an eligible participant under a self-directed personal assistance services program under this section, under which individuals, within an approved self-directed services plan and budget, purchase personal assistance and related services, and permits participants to hire, fire, supervise, and manage the individuals providing such services.

''(B) At the election of the State—

''(i) a participant may choose to use any individual capable of providing the assigned tasks including legally liable relatives as paid providers of the services; and

''(ii) the individual may use the individual's budget to acquire items that increase independence or substitute (such as a microwave oven or an accessibility ramp) for human assistance, to the extent that expenditures would otherwise be made for the human assistance.

''(5) For purpose of this section, the term 'approved self-directed services plan and budget' means, with respect to a participant, the establishment of a plan and budget for the provision of self-directed personal assistance services, consistent with the following requirements:

''(A) SELF-DIRECTION.—The participant (or in the case of a participant who is a minor child, the participant's parent or guardian, or in the case of an incapacitated adult, another individual recognized by State law to act on behalf of the participant) exercises choice and control over the budget, planning, and purchase of self-directed personal assistance services, including the amount, duration, scope, provider, and location of service provision.

''(B) ASSESSMENT OF NEEDS.—There is an assessment of the needs, strengths, and preferences of the participants for such services.

''(C) SERVICE PLAN.—A plan for such services (and supports for such services) for the participant has been developed and approved by the State based on such assessment through a person-centered process that—

''(i) builds upon the participant's capacity to engage in activities that promote community life and that respects the participant's preferences, choices, and abilities; and

''(ii) involves families, friends, and professionals in the planning or delivery of services or supports as desired or required by the participant.

''(D) SERVICE BUDGET.—A budget for such services and supports for the participant has been developed and approved by the State based on such assessment and plan and on a methodology that uses valid, reliable cost data, is open to public inspection, and includes a calculation of the expected cost of such services if those services were not self-directed. The budget may not restrict access to other medically necessary care and services furnished under the plan and approved by the State but not included in the budget.

''(E) APPLICATION OF QUALITY ASSURANCE AND RISK MANAGEMENT.—There are appropriate quality assurance and risk management techniques used in establishing and implementing such plan and budget that recognize the roles and responsibilities in obtaining services in a self-directed manner and assure the appropriateness of such plan and budget based upon the participant's resources and capabilities.

''(6) A State may employ a financial management entity to make payments to providers, track costs, and make reports under the program. Payment for the activities of the financial management entity shall be at the administrative rate established in section 1903(a).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 2006.

SEC. 3133. EXPANSION OF STATE LONG-TERM CARE PARTNERSHIP PROGRAM.

(a) IN GENERAL.—Section 1917(b)(1)(C) of the Social Security Act (42 U.S.C. 1396p(b)(1)(C)) is amended—

(1) in clause (ii), by inserting ''or which has a State plan amendment that provides for a qualified State long-term care insurance partnership (as defined in clause (iii))'' after ''1993,''; and

(2) by adding at the end the following new clauses:

''(iii) For purposes of this paragraph, the term 'qualified State long-term care insurance partnership' means an approved State plan amendment under this title that provides for the disregard of any assets or resources in an amount equal to the insurance benefit payments that are made to or on behalf of an individual who is a beneficiary under a long-term care insurance policy (including a certificate issued under a group insurance contract), if the following requirements are met:

''(I) The policy covers an insured who was a resident of such State when coverage first became effective under the policy.

''(II) The policy is a qualified long-term care insurance policy (as defined in section 7702B(b) of the Internal Revenue Code of 1986) issued on or after the first day of the first calendar quarter in which the plan amendment was submitted to the Secretary.

''(III) If the policy does not provide some level of inflation protection, the insured was offered, before the policy was sold, a long-term care insurance policy that provides some level of inflation protection.

''(IV) The State Medicaid agency under section 1902(a)(5) provides information and technical assistance to the State insurance department on the insurance department's role of assuring that any individual who sells a long-term care insurance policy under the partnership receives training or demonstrates evidence of an understanding of such policies and how they relate to other public and private coverage of long-term care.

''(V) The issuer of the policy provides regular reports to the Secretary that include, in accordance with regulations of the Secretary (promulgated after consultation with the States), notification regarding when all benefits provided under the policy have been paid and the amount of such benefits paid, when the policy otherwise terminates, and such other information as the Secretary determines may be appropriate to the administration of such partnerships.

''(VI) The State does not impose any requirement affecting the terms or benefits of such a policy unless the State imposes such requirement on long-term care insurance policies without regard to whether the policy is covered under the partnership or is offered in connection with such a partnership.

In the case of a long-term care insurance policy which is exchanged for another such policy, subclause (I) shall be applied based on the coverage of the first such policy that was exchanged.

''(iv) The Secretary—

''(I) as appropriate, shall provide copies of the reports described in clause (iii)(V) to the State involved; and

''(II) shall promote the education of consumers regarding qualified State long-term care insurance partnerships.

''(v) The Secretary, in consultation with other appropriate Federal agencies, issuers of long-term care insurance, the National Association of Insurance Commissioners, and State insurance commissioners, shall develop recommendations for Congress to authorize and fund a uniform minimum data set to be reported electronically by all issuers of long-term care insurance policies under qualified State long-term care insurance partnerships to a secure, centralized electronic query and report-generating mechanism that the State, the Secretary, and other Federal agencies can access.''.

(b) CONSTRUCTION.—Nothing in the amendments made by subsection (a) shall be construed as affecting the treatment of long-term care insurance policies that will be, are, or were provided under a State plan amendment described in section 1917(b)(1)(C)(ii) of the Social Security Act that was approved as of May 14, 1993.

(c) EFFECTIVE DATE.—A State plan amendment that provides for a qualified State long-term care insurance partnership under the amendments made by subsection (a) may provide that such amendment is effective for long-term care insurance policies issued on or after a date, specified in the amendment, that is not earlier than the first day of the first calendar quarter in which the plan amendment was submitted to the Secretary of Health and Human Services.

(d) STANDARDS FOR RECIPROCAL RECOGNITION AMONG PARTNERSHIP STATES.—In order to permit portability in long-term care insurance policies purchased under State long-term care insurance partnerships, the Secretary of Health and Human Services may develop, in consultation with the States and the National Association of Insurance Commissioners, uniform standards for reciprocal recognition of such policies among States with qualified State long-term care insurance partnerships.

SEC. 3134. HEALTH OPPORTUNITY ACCOUNTS.

Title XIX of the Social Security Act, as amended by section 3124, is amended—

(1) by redesignating section 1937 as section 1938; and

(2) by inserting after section 1936 the following new section:

''HEALTH OPPORTUNITY ACCOUNTS

''SEC. 1937. (a) AUTHORITY.—

''(1) IN GENERAL.—Notwithstanding any other provision of this title, the Secretary shall establish a demonstration program

under which States may provide under their State plans under this title (including such a plan operating under a statewide waiver under section 1115) in accordance with this section for the provision of alternative benefits consistent with subsection (c) for eligible population groups in one or more geographic areas of the State specified by the State. An amendment under the previous sentence is referred to in this section as a 'State demonstration program'.

''(2) INITIAL DEMONSTRATION.—The demonstration program under this section shall begin on January 1, 2006. During the first 5 years of such program, the Secretary shall not approve more than 10 State demonstration programs, with each State demonstration program covering one or more geographic areas specified by the State. After such 5-year period—

''(A) unless the Secretary finds, taking into account cost-effectiveness, quality of care, and other criteria that the Secretary specifies, that a State demonstration program previously implemented has been unsuccessful, such a demonstration program may be extended or made permanent in the State; and

''(B) unless the Secretary finds, taking into account cost-effectiveness, quality of care, and other criteria that the Secretary specifies, that all State demonstration programs previously implemented were unsuccessful, other States may implement State demonstration programs.

''(3) APPROVAL.—The Secretary shall not approve a State demonstration program under paragraph (1) unless the program includes the following:

''(A) Creating patient awareness of the high cost of medical care.

''(B) Providing incentives to patients to seek preventive care services.

''(C) Reducing inappropriate use of health care services.

''(D) Enabling patients to take responsibility for health outcomes.

''(E) Providing enrollment counselors and ongoing education activities.

''(F) Providing transactions involving health opportunity accounts to be conducted electronically and without cash.

''(G) Providing access to negotiated provider payment rates consistent with this section.

Nothing in this section shall be construed as preventing a State demonstration program from providing incentives for patients obtaining appropriate preventive care (as defined for purposes of section 223(c)(2)(C) of the Internal Revenue Code of 1986), such as additional account contributions for an individual demonstrating healthy prevention practices.

''(4) NO REQUIREMENT FOR STATEWIDENESS.—Nothing in this section or any other provision of law shall be construed to require that a State must provide for the implementation of a State demonstration program on a Statewide basis.

''(5) REPORTS.—The Secretary shall periodically submit to Congress reports regarding the success of State demonstration programs.

''(b) ELIGIBLE POPULATION GROUPS.—

''(1) IN GENERAL.—A State demonstration program under this section shall specify the eligible population groups consistent with paragraphs (2) and (3).

''(2) ELIGIBILITY LIMITATIONS DURING INITIAL DEMONSTRATION PERIOD.—During the initial 5 years of the demonstration program under this section, a State demonstration program shall not apply to any of the following individuals:

''(A) Individuals who are 65 years of age or older.

''(B) Individuals who are disabled, regardless of whether or not their eligibility for medical assistance under this title is based on such disability.

''(C) Individuals who are eligible for medical assistance under this title only because they are (or were within the previous 60 days) pregnant.

''(D) Individuals who have been eligible for medical assistance for a continuous period of less than 3 months.

''(3) ADDITIONAL LIMITATIONS.—A State demonstration program shall not apply to any individual within a category of individuals described in section 1936(a)(2)(B).

''(4) LIMITATIONS.—

''(A) STATE OPTION.—This subsection shall not be construed as preventing a State from further limiting eligibility.

''(B) ON ENROLLEES IN MEDICAID MANAGED CARE ORGANIZATIONS.—Insofar as the State provides for eligibility of individuals who are enrolled in medicaid managed care organizations, such individuals may participate in the State demonstration program only if the State provides assurances satisfactory to the Secretary that the following conditions are met with respect to any such organization:

''(i) In no case may the number of such individuals enrolled in the organization who participate in the program exceed 5 percent of the total number of individuals enrolled in such organization.

''(ii) The proportion of enrollees in the organization who so participate is not significantly disproportionate to the proportion of such enrollees in other such organizations who participate.

''(iii) The State has provided for an appropriate adjustment in the per capita payments to the organization to account for such participation, taking into account differences in the likely use of health services between enrollees who so participate and enrollees who do not so participate.

''(5) VOLUNTARY PARTICIPATION.—An eligible individual shall be enrolled in a State demonstration program only if the individual voluntarily enrolls. Except in such hardship cases as the Secretary shall specify, such an enrollment shall be effective for a period of 12 months, but may be extended for additional periods of 12 months each with the consent of the individual.

''(c) ALTERNATIVE BENEFITS.—

''(1) IN GENERAL.—The alternative benefits provided under this section shall consist, consistent with this subsection, of at least—

''(A) coverage for medical expenses in a year for items and services for which benefits are otherwise provided under this title after an annual deductible described in paragraph (2) has been met; and

''(B) contribution into a health opportunity account.

Nothing in subparagraph (A) shall be construed as preventing a State from providing for coverage of preventive care (referred to in subsection (a)(3)) within the alternative benefits without regard to the annual deductible.

''(2) ANNUAL DEDUCTIBLE.—The amount of the annual deductible described in paragraph (1)(A) shall be at least 100 percent, but no more than 110 percent, of the annualized amount of contributions to the health opportunity account under subsection (d)(2)(A)(i), determined without regard to any limitation described in subsection (d)(2)(C)(i)(II).

''(3) ACCESS TO NEGOTIATED PROVIDER PAYMENT RATES.—

''(A) FEE-FOR-SERVICE ENROLLEES.—In the case of an individual who is participating in a State demonstration program and who is not enrolled with a medicaid managed care organization, the State shall provide that the individual may obtain demonstration program medicaid services from—

''(i) any participating provider under this title at the same payment rates that would be applicable to such services if the deductible described in paragraph (1)(A) was not applicable; or

''(ii) any provider at payment rates that do not exceed 125 percent of the payment rate that would be applicable to such services furnished by a participating provider under this title if the deductible described in paragraph (1)(A) was not applicable.

''(B) TREATMENT UNDER MEDICAID MANAGED CARE PLANS.—In the case of an individual who is participating in a State demonstration program and is enrolled with a medicaid managed care organization, the State shall enter into an arrangement with the organization under which the individual may obtain demonstration program medicaid services from any provider under such organization at payment rates that do not exceed the payment rate that would be applicable to such services if the deductible described in paragraph (1)(A) was not applicable.

''(C) COMPUTATION.—The payment rates described in subparagraphs (A) and (B) shall be computed without regard to any cost sharing that would be otherwise applicable under sections 1916 and 1916A.

''(D) DEFINITIONS.—For purposes of this paragraph:

''(i) The term 'demonstration program medicaid services' means, with respect to an individual participating in a State demonstration program, services for which the individual would be provided medical assistance under this title but for the application of the deductible described in paragraph (1)(A).

''(ii) The term 'participating provider' means—

''(I) with respect to an individual described in subparagraph (A), a health care provider that has entered into a participation agreement with the State for the provision of services to individuals entitled to benefits under the State plan; or

''(II) with respect to an individual described in subparagraph (B) who is enrolled in a medicaid managed care organization, a health care provider that has entered into an arrangement for the provision of services to enrollees of the organization under this title.

''(4) NO EFFECT ON SUBSEQUENT BENEFITS.—Except as provided under paragraphs (1) and (2), alternative benefits for an eligible individual shall consist of the benefits otherwise provided to the individual, including cost sharing relating to such benefits.

''(5) OVERRIDING COST SHARING AND COMPARABILITY REQUIREMENTS FOR ALTERNATIVE BENEFITS.—The provisions of this title relating to cost sharing for benefits (including sections 1916 and 1916A) shall not apply with respect to benefits to which the annual deductible under paragraph (1)(A) applies. The provisions of section 1902(a)(10)(B) (relating to comparability) shall not apply with respect to the provision of alternative benefits (as described in this subsection).

''(6) TREATMENT AS MEDICAL ASSISTANCE.—Subject to subparagraphs (D) and (E) of subsection (d)(2), payments for alternative benefits under this section (including contributions into a health opportunity account) shall be treated as medical assistance for purposes of section 1903(a).

''(7) USE OF TIERED DEDUCTIBLE AND COST SHARING.—

''(A) IN GENERAL.—A State—

''(i) may vary the amount of the annual deductible applied under paragraph (1)(A) based on the income of the family involved so long as it does not favor families with higher income over those with lower income; and

''(ii) may vary the amount of the maximum out-of-pocket cost sharing (as defined in subparagraph (B)) based on the income of

the family involved so long as it does not favor families with higher income over those with lower income.

''(B) MAXIMUM OUT-OF-POCKET COST SHARING.—For purposes of subparagraph (A)(ii), the term 'maximum out-of-pocket cost sharing' means, for an individual or family, the amount by which the annual deductible level applied under paragraph (1)(A) to the individual or family exceeds the balance in the health opportunity account for the individual or family.

''(8) CONTRIBUTIONS BY EMPLOYERS.—Nothing in this section shall be construed as preventing an employer from providing health benefits coverage consisting of the coverage described in paragraph (1)(A) to individuals who are provided alternative benefits under this section.

''(d) HEALTH OPPORTUNITY ACCOUNT.—

''(1) IN GENERAL.—For purposes of this section, the term 'health opportunity account' means an account that meets the requirements of this subsection.

''(2) CONTRIBUTIONS.—

''(A) IN GENERAL.—No contribution may be made into a health opportunity account except—

''(i) contributions by the State under this title; and

''(ii) contributions by other persons and entities, such as charitable organizations.

''(B) STATE CONTRIBUTION.—A State shall specify the contribution amount that shall be deposited under subparagraph (A)(i) into a health opportunity account.

''(C) LIMITATION ON ANNUAL STATE CONTRIBUTION PROVIDED AND PERMITTING IMPOSITION OF MAXIMUM ACCOUNT BALANCE.—

''(i) IN GENERAL.—A State—

''(I) may impose limitations on the maximum contributions that may be deposited under subparagraph (A)(i) into a health opportunity account in a year;

''(II) may limit contributions into such an account once the balance in the account reaches a level specified by the State; and

''(III) subject to clauses (ii) and (iii) and subparagraph (D)(i), may not provide contributions described in subparagraph (A)(i) to a health opportunity account on behalf of an individual or family to the extent the amount of such contributions (including both State and Federal shares) exceeds, on an annual basis, $2,500 for each individual (or family member) who is an adult and $1,000 for each individual (or family member) who is a child.

''(ii) INDEXING OF DOLLAR LIMITATIONS.—For each year after 2006, the dollar amounts specified in clause (i)(III) shall be annually increased by the Secretary by a percentage that reflects the annual percentage increase in the medical care component of the consumer price index for all urban consumers.

''(iii) BUDGET NEUTRAL ADJUSTMENT.—A State may provide for dollar limitations in excess of those specified in clause (i)(III) (as increased under clause (ii)) for specified individuals if the State provides assurances satisfactory to the Secretary that contributions otherwise made to other individuals will be reduced in a manner so as to provide for aggregate contributions that do not exceed the aggregate contributions that would otherwise be permitted under this subparagraph.

''(D) LIMITATIONS ON FEDERAL MATCHING.—

''(i) STATE CONTRIBUTION.—A State may contribute under subparagraph (A)(i) amounts to a health opportunity account in excess of the limitations provided under subparagraph (C)(i)(III), but no Federal financial participation shall be provided under section 1903(a) with respect to contributions in excess of such limitations.

''(ii) NO FFP FOR PRIVATE CONTRIBUTIONS.—No Federal financial participation shall be provided under section 1903(a) with respect to any contributions described in subparagraph (A)(ii) to a health opportunity account.

''(E) APPLICATION OF DIFFERENT MATCHING RATES.—The Secretary shall provide a method under which, for expenditures made from a health opportunity account for medical care for which the Federal matching rate under section 1903(a) exceeds the Federal medical assistance percentage, a State may obtain payment under such section at such higher matching rate for such expenditures.

''(3) USE.—

''(A) GENERAL USES.—

''(i) IN GENERAL.—Subject to the succeeding provisions of this paragraph, amounts in a health opportunity account may be used for payment of such health care expenditures as the State specifies.

''(ii) GENERAL LIMITATION.—In no case shall such account be used for payment for health care expenditures that are not payment of medical care (as defined by section 213(d) of the Internal Revenue Code of 1986).

''(iii) STATE RESTRICTIONS.—In applying clause (i), a State may restrict payment for—

''(I) providers of items and services to providers that are licensed or otherwise authorized under State law to provide the item or service and may deny payment for such a provider on the basis that the provider has been found, whether with respect to this title or any other health benefit program, to have failed to meet quality standards or to have committed one or more acts of fraud or abuse; and

''(II) items and services insofar as the State finds they are not medically appropriate or necessary.

''(iv) ELECTRONIC WITHDRAWALS.—The State demonstration program shall provide for a method whereby withdrawals may be made from the account for such purposes using an electronic system and shall not permit withdrawals from the account in cash.

''(B) MAINTENANCE OF HEALTH OPPORTUNITY ACCOUNT AFTER BECOMING INELIGIBLE FOR PUBLIC BENEFIT.—

''(i) IN GENERAL.—Notwithstanding any other provision of law, if an account holder of a health opportunity account becomes ineligible for benefits under this title because of an increase in income or assets—

''(I) no additional contribution shall be made into the account under paragraph (2)(A)(i);

''(II) subject to clause (iii), the balance in the account shall be reduced by 25 percent; and

''(III) subject to the succeeding provisions of this subparagraph, the account shall remain available to the account holder for withdrawals under the same terms and conditions as if the account holder remained eligible for such benefits.

''(ii) SPECIAL RULES.—Withdrawals under this subparagraph from an account—

''(I) shall be available for the purchase of health insurance coverage; and

''(II) may, subject to clause (iv), be made available (at the option of the State) for such additional expenditures (such as job training and tuition expenses) specified by the State (and approved by the Secretary) as the State may specify.

''(iii) EXCEPTION FROM 25 PERCENT SAVINGS TO GOVERNMENT FOR PRIVATE CONTRIBUTIONS.—Clause (i)(II) shall not apply to the portion of the account that is attributable to contributions described in paragraph (2)(A)(ii). For purposes of accounting for such contributions, withdrawals from a health opportunity account shall first be attributed to contributions described in paragraph (2)(A)(i).

''(iv) CONDITION FOR NON-HEALTH WITHDRAWALS.—No withdrawal may be made from an account under clause (ii)(II) unless the accountholder has participated in the program under this section for at least 1 year.

''(v) NO REQUIREMENT FOR CONTINUATION OF COVERAGE.—An account holder of a health opportunity account, after becoming ineligible for medical assistance under this title, is not required to purchase high-deductible or other insurance as a condition of maintaining or using the account.

''(4) ADMINISTRATION.—A State may coordinate administration of health opportunity accounts through the use of a third party administrator and reasonable expenditures for the use of such administrator shall be reimbursable to the State in the same manner as other administrative expenditures under section 1903(a)(7).

''(5) TREATMENT.—Amounts in, or contributed to, a health opportunity account shall not be counted as income or assets for purposes of determining eligibility for benefits under this title.

''(6) UNAUTHORIZED WITHDRAWALS.—A State may establish procedures—

''(A) to penalize or remove an individual from the health opportunity account based on nonqualified withdrawals by the individual from such an account; and

''(B) to recoup costs that derive from such nonqualified withdrawals.''.

CHAPTER 5—OTHER PROVISIONS

SEC. 3141. INCREASE IN MEDICAID PAYMENTS TO INSULAR AREAS.

Section 1108(g) of the Social Security Act (42 U.S.C. 1308(g)) is amended—

(1) in paragraph (2), by inserting ''and subject to paragraph (3)'' after ''subsection (f)''; and

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

''(3) FISCAL YEARS 2006 AND 2007 FOR CERTAIN INSULAR AREAS.—The amounts otherwise determined under this subsection for Puerto Rico, the Virgin Islands, Guam, the Northern Mariana Islands, and American Samoa for fiscal year 2006 and fiscal year 2007 shall be increased by the following amounts:

''(A) For Puerto Rico, $12,000,000 for fiscal year 2006 and $12,000,000 for fiscal year 2007.

''(B) For the Virgin Islands, $2,500,000 for fiscal year 2006 and $5,000,000 for fiscal year 2007.

''(C) For Guam, $2,500,000 for fiscal year 2006 and $5,000,000 for fiscal year 2007.

''(D) For the Northern Mariana Islands, $1,000,000 for fiscal year 2006 and $2,000,000 for fiscal year 2007.

''(E) For American Samoa, $2,000,000 for fiscal year 2006 and $4,000,000 for fiscal year 2007.

Such amounts shall not be taken into account in applying paragraph (2) for fiscal year 2007 but shall be taken into account in applying such paragraph for fiscal year 2008 and subsequent fiscal years.''.

SEC. 3142. MANAGED CARE ORGANIZATION PROVIDER TAX REFORM.

(a) IN GENERAL.—Section 1903(w)(7)(A)(viii) of the Social Security Act (42 U.S.C. 1396b(w)(7)(A)(viii)) is amended to read as follows:

''(viii) Services of managed care organizations (including health maintenance organizations, preferred provider organizations, and such other similar organizations as the Secretary may specify by regulation).''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendment made by subsection (a) shall be effective as of the date of the enactment of this Act.

(2) GRANDFATHER.—

(A) IN GENERAL.—Subject to subparagraph (B), in the case of a State that has had approved as of the date of the enactment of this Act a provider tax on services described

in section 1903(w)(7)(A)(viii) of the Social Security Act, as amended by subsection (a), such amendment shall be effective as of October 1, 2008.

(B) TRANSITION RULE FOR FISCAL YEAR 2009.—In the case of a State described in subparagraph (A), the amount of any reduction in payment under subsection (a)(1) of section 1903 of the Social Security Act (42 U.S.C. 1396b) that would otherwise be required under subsection (w) of such section for calendar quarters in fiscal year 2009 because of the amendment made by section (a) shall be reduced by one-half.

SEC. 3143. MEDICAID TRANSFORMATION GRANTS.

(a) IN GENERAL.—Section 1903 of the Social Security Act (42 U.S.C. 1396b), as amended by section 3123, is amended by adding at the end the following new subsection:

''(y) MEDICAID TRANSFORMATION PAYMENTS.—

''(1) IN GENERAL.—In addition to the payments provided under subsection (a), subject to paragraph (4), the Secretary shall provide for payments to States for the adoption of innovative methods to improve the effectiveness and efficiency in providing medical assistance under this title.

''(2) PERMISSIBLE USES OF FUNDS.—The following are examples of innovative methods for which funds provided under this subsection may be used:

''(A) Methods for reducing patient error rates through the implementation and use of electronic health records, electronic clinical decision support tools, or e-prescribing programs.

''(B) Methods for improving rates of collection from estates of amounts owed under this title.

''(C) Methods for reducing waste, fraud, and abuse under the program under this title, such as reducing improper payment rates as measured by annual payment error rate measurement (PERM) project rates.

''(D) Implementation of a medication risk management program as part of a drug use review program under section 1927(g).

''(E) Methods in reducing, in clinically appropriate ways, expenditures under this title for covered outpatient drugs, particularly in the categories of greatest drug utilization, by increasing the utilization of generic drugs through the use of education programs and other incentives to promote greater use of generic drugs.''.

''(3) APPLICATION; TERMS AND CONDITIONS.—

''(A) IN GENERAL.—No payments shall be made to a State under this subsection unless the State applies to the Secretary for such payments in a form, manner, and time specified by the Secretary.

''(B) TERMS AND CONDITIONS.—Such payments are made under such terms and conditions consistent with this subsection as the Secretary prescribes.

''(C) ANNUAL REPORT.—Payment to a State under this subsection is conditioned on the State submitting to the Secretary an annual report on the programs supported by such payment. Such report shall include information on—

''(A) the specific uses of such payment;

''(B) an assessment of quality improvements and clinical outcomes under such programs; and

''(C) estimates of cost savings resulting from such programs.

''(4) FUNDING.—

''(A) LIMITATION ON FUNDS.—The total amount of payments under this subsection shall be equal to, and shall not exceed—

''(i) $50,000,000 for fiscal year 2007; and

''(ii) $50,000,000 for fiscal year 2008.

This subsection constitutes budget authority in advance of appropriations Acts and represents the obligation of the Secretary to provide for the payment of amounts provided under this subsection.

''(B) ALLOCATION OF FUNDS.—The Secretary shall specify a method for allocating the funds made available under this subsection among States. Such method shall provide preference for States that design programs that target health providers that treat significant numbers of medicaid beneficiaries. Such method shall provide that not less than 25 percent of such funds shall be allocated among States the population of which (as determined according to data collected by the United States Census Bureau) as of July 1, 2004, was more than 105 percent of the population of the respective State (as so determined) as of April 1, 2000.

''(C) FORM AND MANNER OF PAYMENT.—Payment to a State under this subsection shall be made in the same manner as other payments under section 1903(a). There is no requirement for State matching funds to receive payments under this subsection.

''(5) MEDICATION RISK MANAGEMENT PROGRAM.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'medication risk management program' means a program for targeted beneficiaries that ensures that covered outpatient drugs are appropriately used to optimize therapeutic outcomes through improved medication use and to reduce the risk of adverse events.

''(B) ELEMENTS.—Such program may include the following elements:

''(i) The use of established principles and standards for drug utilization review and best practices to analyze prescription drug claims of targeted beneficiaries and identify outlier physicians.

''(ii) On an ongoing basis provide outlier physicians—

''(I) a comprehensive pharmacy claims history for each targeted beneficiary under their care;

''(II) information regarding the frequency and cost of relapses and hospitalizations of targeted beneficiaries under the physician's care; and

''(III) applicable best practice guidelines and empirical references.

''(iii) Monitor outlier physician's prescribing, such as failure to refill, dosage strengths, and provide incentives and information to encourage the adoption of best clinical practices.

''(C) TARGETED BENEFICIARIES.—For purposes of this paragraph, the term 'targeted beneficiaries' means medicaid eligible beneficiaries who are identified as having high prescription drug costs and medical costs, such as individuals with behavioral disorders or multiple chronic diseases who are taking multiple medications.''.

SEC. 3144. ENHANCING THIRD PARTY IDENTIFICATION AND PAYMENT.

(a) CLARIFICATION OF THIRD PARTIES LEGALLY RESPONSIBLE FOR PAYMENT OF A CLAIM FOR A HEALTH CARE ITEM OR SERVICE.—Section 1902(a)(25) of the Social Security Act (42 U.S.C. 1396a(a)(25)) is amended—

(1) in subparagraph (A), in the matter preceding clause (i)—

(A) by inserting '', including self-insured plans'' after ''health insurers''; and

(B) by striking ''and health maintenance organizations'' and inserting ''health maintenance organizations, pharmacy benefit managers, or other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service''; and

(2) in subparagraph (G)—

(A) by inserting ''a self-insured plan,'' after ''1974,''; and

(B) by striking ''and a health maintenance organization'' and inserting ''a health maintenance organization, a pharmacy benefit manager, or other party that is, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service''.

(b) REQUIREMENT FOR THIRD PARTIES TO PROVIDE THE STATE WITH COVERAGE ELIGIBILITY AND CLAIMS DATA.—Section 1902(a)(25) of such Act (42 U.S.C. 1396a(a)(25)) is amended—

(1) in subparagraph (G), by striking ''and'' at the end;

(2) in subparagraph (H), by adding ''and'' after the semicolon at the end; and

(3) by inserting after subparagraph (H), the following:

''(I) that the State shall provide assurances satisfactory to the Secretary that the State has in effect laws requiring health insurers, including self-insured plans, group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974), service benefit plans, health maintenance organizations, pharmacy benefit managers, or other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service, as a condition of doing business in the State, to—

''(i) provide eligibility and claims payment data with respect to an individual who is eligible for, or is provided, medical assistance under the State plan, upon the request of the State;

''(ii) accept the subrogation of the State to any right of an individual or other entity to payment from the party for an item or service for which payment has been made under the State plan;

''(iii) respond to any inquiry by the State regarding a claim for payment for any health care item or service submitted not later than 3 years after the date of the provision of such health care item or service; and

''(iv) agree not to deny a claim submitted by the State solely on the basis of the date of submission of the claim;''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section take effect on January 1, 2006.

(2) DELAYED EFFECTIVE DATE.—In the case of a State plan under title XIX of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such Act solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of the session shall be considered to be a separate regular session of the State legislature.

SEC. 3145. IMPROVED ENFORCEMENT OF DOCUMENTATION REQUIREMENTS.

(a) IN GENERAL.—Section 1903 of the Social Security Act (42 U.S.C. 1396b) is amended—

(1) in subsection (i), as amended by section 104 of Public Law 109–91—

(A) by striking the period at the end of paragraph (21) and inserting ''; or''; and

(B) by inserting after paragraph (21) the following new paragraph:

''(22) with respect to amounts expended for medical assistance for an individual who declares under section 1137(d)(1)(A) to be a citizen or national of the United States for purposes of establishing eligibility for benefits under this title, unless the requirement of subsection (z) is met.''; and

(2) by adding at the end, as amended by sections 3123 and 3143, the following new subsection:

''(z)(1) For purposes of subsection (i)(22), the requirement of this subsection is, with respect to an individual declaring to be a citizen or national of the United States, that, subject to paragraph (2), there is presented satisfactory documentary evidence of citizenship or nationality (as defined in paragraph (3)) of the individual.

''(2) The requirement of paragraph (1) shall not apply to an alien who is eligible for medical assistance under this title—

''(A) and is entitled to or enrolled for benefits under any part of title XVIII;

''(B) on the basis of receiving supplemental security income benefits under title XVI; or

''(C) on such other basis as the Secretary may specify under which satisfactory documentary evidence of citizenship or nationality had been previously presented.

''(3)(A) For purposes of this subsection, the term 'satisfactory documentary evidence of citizenship or nationality' means—

''(i) any document described in subparagraph (B); or

''(ii) a document described in subparagraph (C) and a document described in subparagraph (D).

''(B) The following are documents described in this subparagraph:

''(i) A United State passport.

''(ii) Form N–550 or N–570 (Certificate of Naturalization).

''(iii) Form N–560 or N–561 (Certificate of United States Citizenship).

''(iv) Such other document as the Secretary may specify, by regulation, that provides proof of United States citizenship or nationality and that provides a reliable means of documentation of personal identity.

''(C) The following are documents described in this subparagraph:

''(i) A certificate of birth in the United States.

''(ii) Form FS–545 or Form DS–1350 (Certification of Birth Abroad).

''(iii) Form I–97 (United States Citizen Identification Card).

''(iv) Form FS–240 (Report of Birth Abroad of a Citizen of the United States).

''(v) Such other document (not described in subparagraph (B)(iv)) as the Secretary may specify that provides proof of United States citizenship or nationality.

''(D) The following are documents described in this subparagraph:

''(i) Any identity document described in section 274A(b)(1)(D) of the Immigration and Nationality Act.

''(ii) Any other documentation of personal identity of such other type as the Secretary finds, by regulation, provides a reliable means of identification.

''(E) A reference in this paragraph to a form includes a reference to any successor form.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to determinations of initial eligibility for medical assistance made on or after July 1, 2006, and to redeterminations of eligibility made on or after such date in the case of individuals for whom the requirement of section 1903(z) of the Social Security Act, as added by such amendments, was not previously met.

SEC. 3146. REFORMS OF TARGETED CASE MANAGEMENT.

(a) IN GENERAL.—Section 1915(g) of the Social Security Act (42 U.S.C. 1396n(g)) is amended by striking paragraph (2) and inserting the following:

''(2) For purposes of this subsection:

''(A)(i) The term 'case management services' means services which will assist individuals eligible under the plan in gaining access to needed medical, social, educational, and other services.

''(ii) Such term includes the following:

''(I) Assessment of an eligible individual to determine service needs, including activities that focus on needs identification, to determine the need for any medical, educational, social, or other services. Such assessment activities include the following:

''(aa) Taking client history.

''(bb) Identifying the needs of the individual, and completing related documentation.

''(cc) Gathering information from other sources such as family members, medical providers, social workers, and educators, if necessary, to form a complete assessment of the eligible individual.

''(II) Development of a specific care plan based on the information collected through an assessment, that specifies the goals and actions to address the medical, social, educational, and other services needed by the eligible individual, including activities such as ensuring the active participation of the eligible individual and working with the individual (or the individual's authorized health care decision maker) and others to develop such goals and identify a course of action to respond to the assessed needs of the eligible individual.

''(III) Referral and related activities to help an individual obtain needed services, including activities that help link eligible individuals with medical, social, educational providers or other programs and services that are capable of providing needed services, such as making referrals to providers for needed services and scheduling appointments for the individual.

''(IV) Monitoring and follow-up activities, including activities and contacts that are necessary to ensure the care plan is effectively implemented and adequately addressing the needs of the eligible individual, and which may be with the individual, family members, providers, or other entities and conducted as frequently as necessary to help determine such matters as—

''(aa) whether services are being furnished in accordance with an individual's care plan;

''(bb) whether the services in the care plan are adequate; and

''(cc) whether there are changes in the needs or status of the eligible individual, and if so, making necessary adjustments in the care plan and service arrangements with providers.

''(iii) Such term does not include the direct delivery of an underlying medical, educational, social, or other service to which an eligible individual has been referred, including, with respect to the direct delivery of foster care services, services such as (but not limited to) the following:

''(I) Research gathering and completion of documentation required by the foster care program.

''(II) Assessing adoption placements.

''(III) Recruiting or interviewing potential foster care parents.

''(IV) Serving legal papers.

''(V) Home investigations.

''(VI) Providing transportation.

''(VII) Administering foster care subsidies.

''(VIII) Making placement arrangements.

''(B) The term 'targeted case management services' means case management services that are furnished without regard to the requirements of section 1902(a)(1) and section 1902(a)(10)(B) to specific classes of individuals or to individuals who reside in specified areas.

''(3) With respect to contacts with individuals who are not eligible for medical assistance under the State plan or, in the case of targeted case management services, individuals who are eligible for such assistance but are not part of the target population specified in the State plan, such contacts—

''(A) are considered an allowable case management activity, when the purpose of the contact is directly related to the management of the eligible individual's care; and

''(B) are not considered an allowable case management activity if such contacts relate directly to the identification and management of the noneligible or nontargeted individual's needs and care.

''(4)(A) In accordance with section 1902(a)(25), Federal financial participation only is available under this title for case management services or targeted case management services if there are no other third parties liable to pay for such services, including as reimbursement under a medical, social, educational, or other program.

''(B) A State shall allocate the costs of any part of such services which are reimbursable under another federally funded program in accordance with OMB Circular A–87 (or any related or successor guidance or regulations regarding allocation of costs among federally funded programs) under an approved cost allocation program.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2006.

SEC. 3147. EMERGENCY SERVICES FURNISHED BY NON-CONTRACT PROVIDERS FOR MEDICAID MANAGED CARE ENROLLEES.

(a) IN GENERAL.—Section 1932(b)(2) of the Social Security Act (42 U.S.C. 1396u–2(b)(2)) is amended by adding at the end the following new subparagraph:

''(D) EMERGENCY SERVICES FURNISHED BY NON-CONTRACT PROVIDERS.—Any provider of emergency services that does not have in effect a contract with a medicaid managed care entity that establishes payment amounts for services furnished to a beneficiary enrolled in the entity's medicaid managed care plan must accept as payment in full the amounts (less any payments for indirect costs of medical education and direct costs of graduate medical education) that it could collect if the beneficiary received medical assistance under this title other than through enrollment in such an entity.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2007.

SEC. 3148. ADJUSTMENT IN COMPUTATION OF MEDICAID FMAP TO DISREGARD AN EXTRAORDINARY EMPLOYER PENSION CONTRIBUTION.

(a) IN GENERAL.—Only for purposes of computing the Federal medical assistance percentage under section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)) for a State for a fiscal year (beginning with fiscal year 2006), any significantly disproportionate employer pension contribution described in subsection (b) shall be disregarded in computing the per capita income of such State, but shall not be disregarded in computing the per capita income for the continental United States (and Alaska) and Hawaii.

(b) SIGNIFICANTLY DISPROPORTIONATE EMPLOYER PENSION CONTRIBUTION.—For purposes of subsection (a), a significantly disproportionate employer pension contribution described in this subsection with respect to a State for a fiscal year is an employer contribution towards pensions that is allocated to such State for a period if the aggregate amount so allocated exceeds 50 percent of the total increase in personal income in that State for the period involved.

Subtitle B—Katrina Health Care Relief

SEC. 3201. TARGETED MEDICAID RELIEF FOR STATES AFFECTED BY HURRICANE KATRINA.

(a) 100 PERCENT FEDERAL MATCHING PAYMENTS FOR MEDICAL ASSISTANCE PROVIDED IN KATRINA IMPACTED AREAS.—

(1) IN GENERAL.—Notwithstanding section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)), for items and services furnished during the period that begins on August 28, 2005, and ends on May 15, 2006, the Federal matching rate for providing medical assistance for such items and services under a State Medicaid plan to any individual residing in a Katrina impacted parish or county (as defined in subsection (c)(1)) or to a Katrina Survivor (as defined in subsection (b)), and for costs directly attributable to all administrative activities that relate to the provision of such medical assistance, shall be 100 percent.

(2) APPLICATION TO CHILD HEALTH ASSISTANCE.—Notwithstanding section 2105(b) of the Social Security Act (42 U.S.C. 1397ee(b)), for items and services furnished during the period described in paragraph (1), the Federal matching rate for providing child health assistance for such items and services under a State child health plan under title XXI of such Act in a Katrina impacted parish or county or to a Katrina Survivor, and for costs directly attributable to all administrative activities that relate to the provision of such child health assistance, shall be 100 percent.

(b) KATRINA SURVIVOR.—For purposes of subsection (a), the term ''Katrina Survivor'' means an individual who, on any day during the week preceding August 28, 2005, had a primary residence in a major disaster parish or county (as defined in subsection (c)).

(c) DEFINITIONS.—For purposes of this section:

(1) KATRINA IMPACTED PARISH OR COUNTY.—The term ''Katrina impacted parish or county'' means any parish in the State of Louisiana, any county in the State of Mississippi, and any major disaster parish or county in the State of Alabama.

(2) MAJOR DISASTER PARISH OR COUNTY.—A major disaster parish or county is a parish of the State of Louisiana or a county of the State of Mississippi or Alabama for which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) as a result of Hurricane Katrina and which the President has determined, as of September 14, 2005, warrants individual assistance from the Federal Government under such Act.

SEC. 3202. STATE HIGH RISK HEALTH INSURANCE POOL FUNDING.

There are hereby authorized and appropriated $90,000,000 for fiscal year 2006 for grants under subsection (b)(1) of section 2745 of the Public Health Service Act (42 U.S.C. 300gg-45). The amount so appropriated shall be treated as if it had been appropriated under subsection (c)(2) of such section.

SEC. 3203. RECOMPUTATION OF HPSA, MUA, AND MUP DESIGNATIONS WITHIN HURRICANE KATRINA AFFECTED AREAS.

(a) IN GENERAL.—For purposes of the Public Health Service Act (42 U.S.C. 201 et seq.), the Secretary of Health and Human Services shall conduct a review of all Hurricane Katrina disaster areas and, as appropriate taking into account the lack of availability of health care providers and services due to Hurricane Katrina—

(1) shall designate such areas as health professional shortage areas or medically underserved areas; and

(2) shall designate one of more populations of each such area as a medically underserved population.

(b) HURRICANE KATRINA DISASTER AREA DEFINED.—For purposes of this section, the term ''Hurricane Katrina disaster area'' means an area for which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) as a result of Hurricane Katrina and which the President has determined, before September 14, 2005, warrants individual and public assistance from the Federal Government under such Act.

SEC. 3204. WAIVER OF CERTAIN REQUIREMENTS APPLICABLE TO THE PROVISION OF HEALTH CARE IN AREAS IMPACTED BY HURRICANE KATRINA.

(a) ELIGIBLE AREA.—

(1) DEFINITION.—In this section, the term ''eligible area'' means an area identified by the Secretary of Health and Human Services pursuant to paragraph (2).

(2) IDENTIFICATION.—Not later than 30 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall identify areas that—

(A) have been directly impacted by Hurricane Katrina; or

(B) are located in a State which has absorbed a significant number of Hurricane Katrina evacuees.

(b) HEALTH CENTERS.—For the purpose of determining whether an entity located in an eligible area qualifies as a health center under section 330 of the Public Health Service Act (42 U.S.C. 254b):

(1) BOARD COMPOSITION.—

(A) WAIVER.—The Secretary of Health and Human Services shall waive any requirement that a majority of the governing board of the entity be consumers of the entity's health care services.

(B) RULE OF CONSTRUCTION.—This paragraph shall not be construed as requiring the Secretary of Health and Human Services to waive a requirement that the governing board of the entity include representation of the consumers of the entity's health care services.

(2) MEDICALLY UNDERSERVED POPULATION.—

(A) DETERMINATION.—At the request of the entity, the Secretary of Health and Human Services shall determine whether, taking into consideration any change in population associated with Hurricane Katrina, the entity serves a medically underserved population (as that term is defined in section 330(b)(3) of the Public Health Service Act (42 U.S.C. 254b(b)(3))).

(B) DEADLINE.—The Secretary of Health and Human Services shall make a determination under subparagraph (A) not later than 60 days after the date on which the Secretary receives the request for the determination.

(C) RESTRICTION.—The Secretary of Health and Human Services shall not make any determination under this paragraph on whether a population has ceased to qualify as a medically underserved population under section 330 of the Public Health Service Act (42 U.S.C. 254b).

(3) REQUIRED PRIMARY HEALTH SERVICES.—The Secretary of Health and Human Services shall waive any requirement for the entity to provide primary health services described in clause (iii), (iv), or (v) of section 330(b)(1) of the Public Health Service Act (42 U.S.C. 254b(b)(1)).

(c) NATIONAL HEALTH SERVICE CORPS.—Notwithstanding the provisions of subpart II of part D of title III of the Public Health Service Act (42 U.S.C. 254d et seq.) requiring that members of the National Health Service Corps be assigned to health professional shortage areas, the Secretary of Health and Human Services may assign members of the National Health Service Corps to any eligible area.

(d) TERMINATION OF AUTHORITY.—The authority vested by this section in the Secretary of Health and Human Services and the Secretary of Homeland Security shall terminate on the date that is 2 years after enactment of this Act. The Secretary of Health and Human Services may not grant any waiver under subsection (b)(1) or (b)(3) and may not make any assignment of personnel under subsection (c), and the Secretary of Homeland Security may not allow any agreement under subsection (d), for a period extending beyond such date.

SEC. 3205. FMAP HOLD HARMLESS FOR KATRINA IMPACT.

Notwithstanding any other provision of law, for purposes of titles XIX and XXI of the Social Security Act, the Secretary of Health and Human Services in computing the Federal medical assistance percentage under section 1905(b) of such (42 U.S.C. 1396d(b)) for any year after 2006 for a State that the Secretary determines has a significant number of evacuees who were evacuated to, and live in, the State as a result of Hurricane Katrina as of October 1, 2005, the Secretary shall disregard such evacuees (and income attributable to such evacuees).

Subtitle C—Katrina and Rita Energy Relief

SEC. 3301. HURRICANES KATRINA AND RITA ENERGY RELIEF.

(a) FINDINGS.—The Congress finds the following:

(1) Hurricanes Katrina and Rita severely disrupted crude oil and natural gas production in the Gulf of Mexico. The Energy Information Administration estimates that as a result of these two hurricanes, the amount of shut in crude oil production nearly doubled to almost 1,600,000 barrels per day, and the amount of natural gas production shut in also doubled to about 8,000,000,000 cubic feet per day. The hurricanes also initially shut down most of the crude oil refinery capacity in the Gulf of Mexico region. These disruptions led to significantly higher prices for crude oil, refined oil products, and natural gas.

(2) These production and supply disruptions are expected to lead to significantly higher heating costs for consumers this winter. The Energy Information Administration projects an increase in residential natural gas heating expenditures of 32 percent to 61 percent over last winter, with the Midwest seeing the largest increase. Winter heating oil expenditures are projected to increase by 30 percent to 41 percent over last winter, again with the Midwest seeing the largest increase. Propane expenditures for home heating are projected to increase 20 percent to 36 percent over last winter, with the Midwest seeing the largest projected increase. Expenditures for home heating using electricity are expected to increase by 2 percent to 9 percent over last winter, with the South seeing the largest increase. Overall, average home heating expenditures this winter are projected to increase about 33 percent, assuming a normal winter. These significant increases in home heating costs this winter will particularly harm low-income consumers. The Low-Income Home Energy Assistance Program is designed to assist these low income consumers in this situation. Accordingly, Congress seeks a one-time only supplement to the Low-Income Home Energy Assistance Program fund to assist low income consumers with the additional home heating expenditures that they will face this winter as a result of Hurricanes Katrina and Rita.

(b) RELIEF.—In addition to amounts otherwise made available, there shall be directly available to the Secretary of Health and Human Services for a 1-time only obligation and expenditure $1,000,000,000 for fiscal year

2006 for allocation under section 2604(a) through (d) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8623(a) through (d)), for the sole purpose of providing assistance to offset the anticipated higher energy costs caused by Hurricane Katrina and Hurricane Rita.

(c) SUNSET.—The provisions of this section shall terminate, be null and void, and have no force and effect whatsoever after September 30, 2006. No monies provided for under this section shall be available after such date.

Subtitle D—Digital Television Transition

SEC. 3401. SHORT TITLE.

This subtitle may be cited as the ''Digital Television Transition Act of 2005''.

SEC. 3402. FINDINGS.

The Congress finds the following:

(1) A loophole in current law is stalling the digital television (DTV) transition and preventing the return of spectrum for critical public safety and wireless broadband uses.

(A) In 1996, to facilitate the DTV transition, Congress gave each full-power television broadcaster an extra channel of spectrum to broadcast in digital format while continuing to broadcast in analog format on its original channel. Each broadcaster was supposed to eventually return either the original or additional channel and broadcast exclusively in digital format on the remaining channel.

(B) In 1997, Congress earmarked for public safety use some of the spectrum the broadcasters are supposed to return. Congress designated the rest of the spectrum to be auctioned for advanced commercial applications, such as wireless broadband services. Congress set December 31, 2006, as the deadline for broadcasters to return the spectrum for public safety and wireless use.

(C) A loophole, however, allows broadcasters in a market to delay the return of the spectrum until more than 85 percent of television households in that market have at least one television with access to digital broadcast channels using a digital television receiver, a digital-to-analog converter box, or cable or satellite service. Experts forecast it will take many more years to meet the 85-percent test nationwide.

(2) Eliminating the 85-percent test and setting a ''hard deadline'' will close the loophole, making possible the nationwide clearing necessary to complete the DTV transition and free the spectrum for public safety use.

(A) Some police officers, firefighters, and rescue personnel already have equipment to communicate over the spectrum the broadcasters are supposed to return, and are just awaiting the turnover. Many more public safety officials cannot purchase equipment or begin planning without a date certain for the availability of the spectrum.

(B) Five years to the day before September 11, 2001, an advisory committee report to the Federal Communications Commission (FCC) noted that public safety officials desperately needed more spectrum to better communicate with each other in times of emergency. The 9/11 Commission has specifically recognized the importance of clearing for public safety use the spectrum at issue here, especially following the terrorist attacks on the Pentagon and the World Trade Center. The spectrum is also important for communications during natural disasters.

(3) The certainty of a nationwide hard deadline will enable consumers, industry, and government to take the necessary steps to make the transition as smooth as possible.

(A) Under existing law, once a market meets the 85-percent penetration test, the remaining 15 percent of households in the market would lose access to broadcast programming unless they obtain a digital television receiver, a digital-to-analog converter box, or cable or satellite service.

(B) Determining when the 85-percent test in current law has been met in a particular market would be extremely difficult for the FCC to accomplish. Moreover, because no one can predict precisely when any market will meet the 85-percent test, and because different markets will meet the test at different times, consumers, industry, and government cannot adequately plan on a either a local or nationwide basis.

(C) With a hard deadline, government, industry, and consumer groups can develop concrete plans for consumer education. Manufacturers can build large quantities of low-cost digital-to-analog converter boxes for consumers who wish to continue using their analog televisions. Clearing the spectrum on a unified, nationwide basis will also enable the government to maximize the revenue from the auction. Some of that revenue can be used to help make the converter boxes available.

(D) The deadline will have little impact on most television households. The vast majority of households already subscribe to cable or satellite services. Allowing cable and satellite operators to convert digital broadcasts into an analog-viewable format will enable their subscribers that wish to continue using analog televisions to do so.

(4) Setting a hard deadline will bring consumers and the economy the benefits of the DTV transition faster.

(A) DTV offers sharper and wider pictures, and CD-quality sound. Even consumers with analog televisions connected to a converter box or cable or satellite service will receive better service than they did before the transition.

(B) Once the transition is complete, broadcasters can redirect the resources they currently expend running both analog and digital stations and focus on programming that capitalizes on the advanced features of digital transmissions. Manufacturers can also increase the production of televisions and other consumer electronics equipment that takes advantage of these features, which will also drive down prices.

(C) The cleared spectrum can be used to bring cutting-edge wireless services to public safety officials and consumers. This spectrum travels greater distances at lower costs, and more easily penetrates buildings and foliage. Consequently, it is ideal to bring mobile broadband services not only to urban areas, but to rural areas as well, which currently have very few cost-effective broadband options.

(D) The increase in DTV programming, services, and equipment, and the provision of products and services that use the cleared spectrum, will improve America's global competitiveness and result in significant investment and innovation, boosting our economy and fostering new jobs.

SEC. 3403. ANALOG SPECTRUM RECOVERY: HARD DEADLINE.

(a) AMENDMENTS.—Section 309(j)(14) of the Communications Act of 1934 (47 U.S.C. 309(j)(14)) is amended—

(1) in subparagraph (A), by striking ''December 31, 2006'' and inserting ''December 31, 2008'';

(2) by striking subparagraph (B);

(3) in subparagraph (C)(i)(I), by striking ''or (B)'';

(4) in subparagraph (D), by striking ''subparagraph (C)(i)'' and inserting ''subparagraph (B)(i)''; and

(5) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(b) IMPLEMENTATION.—

(1) DTV ALLOTMENT TABLE OF IN-CORE CHANNELS FOR FULL-POWER STATIONS.—The Federal Communications Commission shall—

(A) release by December 31, 2006, a report and order in MB Docket No. 03–15 assigning all full-power broadcast television stations authorized in the digital television service a channel between channels 2 and 36, inclusive, or 38 and 51, inclusive (between frequencies 54 and 698 megahertz, inclusive);

(B) release by July 31, 2007, any reconsideration of such report and order; and

(C) not adopt any further changes between July 31, 2007, and January 1, 2009, to the channels assigned to full-power broadcast television stations for the provision of digital television service unless doing so is necessary for reasons of public safety or necessary to prevent a delay in the end of broadcasting by full-power stations in the analog television service.

(2) STATUS REPORTS.—Beginning with a report on January 31, 2006, and ending with a report on July 31, 2007, the Commission shall submit reports to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate every six months on the status of international coordination with Canada and Mexico of the digital television service table of allotments.

(3) TERMINATIONS OF ANALOG LICENSES AND BROADCASTING.—The Federal Communications Commission shall take such actions as are necessary to terminate all licenses for full-power television stations in the analog television service and to require the cessation of broadcasting by full-power stations in the analog television service by January 1, 2009.

(4) ADDITIONAL UNLICENSED SPECTRUM FOR WIRELESS BROADBAND.—The Commission shall, within one year after the date of enactment of this Act, issue a final order in the matter of Unlicensed Operation in the TV Broadcast Bands (ET Docket No. 04–186).

(c) TECHNICAL AMENDMENT.—Paragraph (15) of section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)), as added by section 203(b) of the Commercial Spectrum Enhancement Act (P.L. 108–494; 118 Stat. 3993), is redesignated as paragraph (16) of such section.

SEC. 3404. AUCTION OF RECOVERED SPECTRUM.

(a) DEADLINE FOR AUCTION.—Section 309(j)(15)(C) of the Communications Act of 1934 (47 U.S.C. 309(j)(15)(C)) is amended by adding at the end the following new clauses:

''(v) ADDITIONAL DEADLINES FOR RECOVERED ANALOG SPECTRUM.—Notwithstanding subparagraph (B), the Commission shall conduct the auction of the licenses for recovered analog spectrum by commencing the bidding not later than January 7, 2008, and shall deposit the proceeds of such auction in accordance with paragraph (8)(E)(i) not later than June 30, 2008.

''(vi) RECOVERED ANALOG SPECTRUM.—For purposes of clause (v), the term 'recovered analog spectrum' means the spectrum between channels 52 and 69, inclusive (between frequencies 698 and 806 megahertz, inclusive) reclaimed from analog television service broadcasting under paragraph (14), other than—

''(I) the spectrum required by section 337 to be made available for public safety services; and

''(II) the spectrum auctioned prior to the date of enactment of the Digital Television Transition Act of 2005.''.

(b) EXTENSION OF AUCTION AUTHORITY.—Paragraph (11) of section 309(j) of such Act is repealed.

(c) STUDY OF AUCTION AUTHORITY.—

(1) INQUIRY AND STUDY REQUIRED.—Within 120 days after the date of enactment of this

Act, the Federal Communications Commission shall initiate an ongoing inquiry and study—

(A) to evaluate the participation of women, minorities, and small businesses in the auction process, including the percentage of winning bidders that are women, minorities, and small businesses; and

(B) to assess the efforts made by the Commission to ensure that women, minorities, and small businesses are able to successfully participate in the auction process.

(2) REPORT.—The Commission shall submit a report to the Congress on the results of the inquiry and study required by paragraph (1) at least biennially beginning not later than one year after the date of enactment of this Act.

SEC. 3405. DIGITAL TELEVISION CONVERSION FUND.

(a) RESERVATION OF AUCTION PROCEEDS TO ASSIST CONVERSION.—Section 309(j)(8) of the Communications Act of 1934 (47 U.S.C. 309(j)(8)) is amended—

(1) in subparagraph (A), by striking ''subparagraph (B) or subparagraph (D)'' and inserting ''subparagraphs (B), (D), and (E)'';

(2) in subparagraph (C)(i), by inserting before the semicolon at the end the following: '', except as otherwise provided in subparagraph (E)(i)''; and

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

''(E) TRANSFER OF REVENUES FOR DIGITAL TELEVISION CONVERSION.—

''(i) PROCEEDS FOR DTV CONVERSION FUND.—Notwithstanding subparagraph (A), of the proceeds (including deposits and upfront payments from successful bidders) from the use of a competitive bidding system under this subsection with respect to recovered analog spectrum—

''(I) $990,000,000 shall be deposited in a separate fund in the Treasury to be known as the 'Digital Television Conversion Fund', and be available exclusively to carry out section 159 of the National Telecommunications and Information Administration Organization Act;

''(II) $500,000,000 shall be deposited in a separate fund in the Treasury to be known as the 'Public Safety Interoperable Communications Fund', and be available exclusively to carry out section 160 of such Act;

''(III) $30,000,000 shall be deposited in a separate fund in the Treasury to be known as the 'NYC 9/11 Digital Transition Fund', and be available exclusively to carry out section 161 of such Act;

''(IV) $3,000,000 shall be deposited in a separate fund in the Treasury to be known as the 'Low-Power Digital-to-Analog Conversion Fund', and be available exclusively to carry out section 162 of such Act; and

''(V) the remainder of such proceeds shall be deposited in the Treasury in accordance with chapter 33 of title 31, United States Code.

''(ii) RECOVERED ANALOG SPECTRUM.—For purposes of clause (i), the term 'recovered analog spectrum' has the meaning provided in paragraph (15)(C)(vi).''.

(b) CONVERTER BOX PROGRAM.—Part C of the National Telecommunications and Information Administration Organization Act is amended by adding at the end the following new section:

''SEC. 159. DIGITAL-TO-ANALOG CONVERTER BOX PROGRAM.

''(a) CREATION OF PROGRAM.—The Assistant Secretary—

''(1) shall use the funds available under subsection (d) of this section to implement and administer a program through which households in the United States may obtain, upon request, up to two coupons that can be applied toward the purchase of digital-to-analog converter boxes, subject to the restrictions in this section and the regulations created thereunder; and

''(2) may award one or more contracts (including a contract with another Federal agency) for the administration of some or all of the program.

''(b) PROGRAM SPECIFICATIONS.—

''(1) FORM OF COUPON REQUEST.—The regulations under this section shall prescribe the contents of the coupon request form and the information any household seeking a coupon shall provide on the form. The coupon request form shall be required to include instructions for its use and also describe, at a minimum, the requirements and limitations of the program, the ways in which the form and the information the household provides will be used, and to whom the form and the information will be disclosed.

''(2) DISTRIBUTION OF COUPON REQUEST FORMS.—

''(A) PAPER AND ELECTRONIC FORMS.—The Assistant Secretary shall provide for the distribution of paper coupon request forms at Government buildings, including post offices. The Assistant Secretary shall provide for the availability to households of electronic coupon request forms, and may permit such forms to be submitted electronically.

''(B) ADDITIONAL DISTRIBUTION.—If the Assistant Secretary determines that doing so would make the program more successful and easier for consumers to participate in, paper and electronic coupon request forms shall also be distributed by such private entities as the Assistant Secretary shall specify (such as retailers, manufacturers, broadcasters, religious organizations, and consumer groups) and shall be distributed in the manner specified by the Assistant Secretary.

''(3) LIMITATIONS.—

''(A) TWO-PER-HOUSEHOLD MAXIMUM.—A household may obtain coupons only by making a request as required by the regulations under this section. Any request must be made between January 1, 2008, and January 31, 2009, inclusive. The Assistant Secretary shall ensure that each requesting household receives no more than two coupons.

''(B) NO COMBINATIONS OF COUPONS.—Two coupons may not be used in combination toward the purchase of a single digital-to-analog converter box.

''(C) DURATION.—All coupons shall expire 3 months after issuance.

''(4) DISTRIBUTION OF COUPONS.—

''(A) Coupons shall be distributed to requesting households by mail and each coupon shall be issued in the name of a member of the requesting household, and shall include a unique identification number as well as any other measures the Assistant Secretary deems necessary to minimize fraud, counterfeiting, duplication, and other unauthorized use.

''(B) Included on or provided with each coupon shall be, at a minimum, instructions for the coupon's use and a description of the coupon's limitations.

''(C) The Assistant Secretary shall expend not more than $160,000,000 on administrative expenses and shall ensure that the sum of all administrative expenses for the program and the total maximum value of all the coupons redeemed, and issued but not expired, does not exceed $990,000,000.

''(D) The Assistant Secretary may expend up to $5,000,000 of the administrative expenses on the public outreach program required by section 330(d)(4) of the Communications Act of 1934 (47 U.S.C. 330(d)(4)). Such funds may be used for grants to the Association of Public Television Stations, in partnership with noncommercial educational television broadcast stations (as defined section 397(6) of the Communications Act of 1934 (47 U.S.C. 397(6))) to carry out such public outreach.

''(5) QUALIFYING PURCHASES.—

''(A) QUALIFYING BOX.—The regulations shall specify methods for determining and identifying the converter boxes that meet the definition in subsection (g).

''(B) COUPON VALUE.—The value of each coupon shall be $40.

''(6) REDEMPTION OF COUPONS.—No coupon shall be redeemed except upon submission of reasonable proof that the individual redeeming the coupon is the individual named on the coupon, and such additional information as is required by the regulations under this section. In the case of retail distribution of digital-to-analog converter boxes over the Internet or by telephone, submission of a valid credit card number issued in the name of the household member, the unique identification number on the coupon, the address of the household, and such other information as is required by the regulations under this section shall be reasonable proof of identity, except that the redemption of coupons over the Internet or by telephone shall be prohibited if the Assistant Secretary determines that such redemption would be unreasonably susceptible to fraud or other abuse.

''(7) RETAILER CERTIFICATION.—

''(A) Any retailer desiring to qualify for coupon reimbursement under this section shall, in accordance with the regulations under this section, be required to undergo a certification process to qualify for participation in the program.

''(B) As part of the certification process, retailers shall be informed of the program's details and their rights and obligations, including their obligations to honor all valid coupons that are tendered in the authorized manner, and to keep a reasonable number of eligible converter boxes in stock.

''(8) COUPON REIMBURSEMENT AND RETAILER AUDITING.—

''(A) REIMBURSEMENT.—The regulations under this section shall establish the process by which retailers may seek and obtain reimbursement for the coupons, and shall include the option for retailers to seek and obtain reimbursement electronically.

''(B) AUDITS.—Such regulations shall establish procedures for the auditing of retailer reimbursements.

''(9) APPEALS.—The regulations under this section shall establish an appeals process for the review and resolution of complaints—

''(A) by a household alleging that—

''(i) the household was improperly denied a coupon;

''(ii) a valid coupon properly tendered was not honored; or

''(iii) the household was otherwise harmed by another violation of this section or such regulations; or

''(B) by a retailer of digital-to-analog converter boxes alleging that the retailer was improperly denied reimbursement for a valid coupon properly tendered and accepted under this section or such regulations.

All such complaints shall be resolved within 30 days after receipt of the complaint.

''(10) ENFORCEMENT.—The regulations under this section shall provide for the termination of eligibility to participate in the program for retailers or households that engage in fraud, misrepresentation, or other misconduct in connection with the program, or that otherwise violate this section or such regulations.

''(11) PROGRESS REPORT.—Beginning with a report on March 31, 2008, and ending with a report on June 30, 2009, the Assistant Secretary shall submit reports to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, every three months summarizing the progress of coupon distribution

and redemption, including how many coupons are being distributed and redeemed, and how quickly.

''(c) PRIVACY.—The program under this section shall ensure that personally identifiable information collected in connection with the program under this section is not used or shared for any other purpose than as described in this section, except as otherwise required or authorized by law. For purposes of this subsection, the term 'personally identifiable information' shall have the same meaning as provided in section 338(i)(2).

''(d) AVAILABILITY OF FUNDS.—

''(1) IN GENERAL.—From the Digital Television Conversion Fund established by section 309(j)(8)(E)(i)(I) of the Communications Act of 1934, there shall be available to carry out this section such sums as may be necessary for fiscal years 2008 and 2009. Any sums that remain unexpended in the Fund at the end of fiscal year 2009 shall revert to and be deposited in the general fund of the Treasury.

''(2) CREDIT.—The Assistant Secretary may borrow from the Treasury such sums as may be necessary not to exceed $990,000,000 to implement and administer the program in accordance with this section. The Assistant Secretary shall reimburse the Treasury, without interest, as funds are deposited into the Digital Television Conversion Fund under section 309(j)(8)(E) of such Act.

''(e) ENERGY STANDARDS REQUIRED.—

''(1) STANDARD.—The maximum energy consumption for the passive standby mode of a digital-to-analog converter box shall be no more than 9 watts.

''(2) ENFORCEMENT.—The Secretary of Energy shall enforce the requirements of paragraph (1). Any converter box that the Secretary of Energy determines is not in compliance with the requirements of paragraph (1) shall not be eligible for purchase with assistance made available under this section.

''(3) PREEMPTION.—No State or any political subdivision thereof may establish or enforce any law, rule, regulation, or other provision having the force of law that regulates the energy output, usage, or consumption standards for a digital-to-analog converter box.

''(f) IMPLEMENTATION.—The Secretary of Commerce shall promulgate, within 9 months after the date of enactment of the Digital Television Transition Act of 2005, such regulations as are necessary to carry out this section.

''(g) DEFINITION.—For purposes of this section:

''(1) DIGITAL-TO-ANALOG CONVERTER BOX.—The term 'digital-to-analog converter box' means a stand-alone device that does not contain features or functions except those necessary to enable a consumer to convert any channel broadcast in the digital television service into a format that the consumer can display on television receivers designed to receive and display signals only in the analog television service.

''(2) HOUSEHOLD.—The term 'household' means the residents at a residential street or rural route address, and shall not include a post office box.

''(3) STANDBY PASSIVE MODE.—The term 'standby passive mode' means a low power state the digital-to-analog converter device enters while connected to a power source which fulfills not the main function but can be switched into another mode by means of an internal or external signal.''.

SEC. 3406. PUBLIC SAFETY INTEROPERABLE COMMUNICATIONS FUND.

Part C of the National Telecommunications and Information Administration Organization Act is amended by adding after section 159 (as added by section 3405(b) of this Act) the following new section:

''SEC. 160. PUBLIC SAFETY INTEROPERABLE COMMUNICATIONS FUND.

''(a) PROGRAM AUTHORIZED.—From the funds available under subsection (f), the Assistant Secretary shall carry out a grant program to assist public safety agencies in the acquisition of, deployment of, or training for the use of interoperable communications systems that utilize, or enable interoperability with communications systems that can utilize, reallocated public safety spectrum for radio communications.

''(b) TERMS AND CONDITIONS OF GRANTS.—In order to obtain a grant under this section, a public safety agency shall—

''(1) submit an application to the Assistant Secretary at such time, in such form, and containing or accompanied by such information and assurances as the Assistant Secretary shall require;

''(2) agree that, if awarded a grant, the public safety agency will submit annual reports to the Assistant Secretary for the duration of the grant award period with respect to—

''(A) the expenditure of grant funds; and

''(B) progress toward acquiring and deploying interoperable communications systems funded by the grant;

''(3) agree to provide, from non-Federal sources, not less than 20 percent of the costs of acquiring and deploying the interoperable communications systems acquired and deployed with funds provided under this section; and

''(4) agree to remit to the Assistant Secretary any grant funds that remain unexpended at the end of the 3-year period of the grant.

''(c) DURATION OF GRANT; RECOVERY OF UNUSED FUNDS.—Grants under this section shall be awarded in the form of a single grant for a period of not more that 3 years. At the end of 3 years, any grant funds that remain unexpended shall be remitted by the grantee to the Assistant Secretary, and, subject to subsection (f)(2), may be awarded to other eligible grant recipients. At the end of fiscal year 2010, any such reawarded grant funds that remain unexpended shall be remitted by the grantee to the Assistant Secretary and may not be reawarded to other grantees.

''(d) OVERSIGHT OF EXPENDITURES.—The Assistant Secretary shall submit to the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce, not later than 6 months after the first award of a grant under this section and every 6 months thereafter until October 1, 2010, a report—

''(1) identifying, on a State-by-State basis, using the information submitted under subsection (b)(2), the results of the program, including an identification, on a State-by-State basis, of—

''(A) the public safety agencies awarded a grant;

''(B) the amount of the grant;

''(C) the specified use for the grant; and

''(D) how each such grant was spent; and

''(2) stating the cumulative total of the amount of grants awarded, and the balance, if any, remaining in the Public Safety Interoperable Communications Fund; and

''(3) in the final such report, stating the amount in the Fund that reverted to the general fund of the Treasury.

''(e) REGULATIONS.—The Secretary is authorized to prescribe such regulations as are necessary to carry out this section.

''(f) AVAILABILITY OF FUNDS.—

''(1) AVAILABILITY.—From the Public Safety Interoperable Communications Fund established by section 309(j)(8)(E)(i)(II) of the Communications Act of 1934, there shall be available to carry out this section such sums as may be necessary for fiscal years 2008, 2009, and 2010.

''(2) REVERSION.—Any sums that remain unexpended in the Fund at the end of fiscal year 2010 shall revert to and be deposited in the general fund of the Treasury.

''(g) DEFINITIONS.—For purposes of this section:

''(1) PUBLIC SAFETY AGENCY.—The term 'public safety agency' means any State or local government entity, or nongovernmental organization authorized by such entity, whose sole or principal purpose is to protect the safety of life, health, or property.

''(2) INTEROPERABLE COMMUNICATIONS SYSTEMS.—The term 'interoperable communications systems' means communications systems which enable public safety agencies to share information amongst local, State, and Federal public safety agencies in the same area via voice or data signals.

''(3) REALLOCATED PUBLIC SAFETY SPECTRUM.—The term 'reallocated public safety spectrum' means the bands of spectrum located at 764–776 megahertz and 794–806 megahertz, inclusive.''.

SEC. 3407. NYC 9/11 DIGITAL TRANSITION FUND.

Part C of the National Telecommunications and Information Administration Organization Act is amended by adding after section 160 (as added by section 3406 of this Act) the following new section:

''SEC. 161. NYC 9/11 DIGITAL TRANSITION FUND.

''(a) FUNDS AVAILABLE.—From the NYC 9/11 Digital Transition Fund established by section 309(j)(8)(E)(i)(III) of the Communications Act of 1934, there shall be available to carry out this section such sums as may be necessary for fiscal years 2006 through 2008. Any sums that remain unexpended in the Fund at the end of fiscal year 2008 shall revert to and be deposited in the general fund of the Treasury. The Assistant Secretary may borrow from the Treasury such sums as may be necessary not to exceed $30,000,000 to implement and administer the program in accordance with this section. The Assistant Secretary shall reimburse the Treasury, without interest, as funds are deposited into the NYC 9/11 Digital Transition Fund under section 309(j)(8)(E) of such Act.

''(b) USE OF FUNDS.—The sums available under subsection (a) shall be made available by the Assistant Secretary by grant to be used to reimburse the Metropolitan Television Alliance for costs incurred in the design and deployment of a temporary digital television broadcast system to ensure that, until a permanent facility atop the Freedom Tower is constructed, the members of the Metropolitan Television Alliance can provide the New York City area with an adequate digital television signal as determined by the Federal Communications Commission.

''(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to alter or otherwise affect the Federal Communications Commission's authority with respect to licensing and interference regulation.

''(d) DEFINITIONS.—For purposes of this section:

''(1) The term 'Metropolitan Television Alliance' means the organization formed by New York City television broadcast station licensees to locate new shared facilities as a result of the attacks on September 11, 2001 and the loss of use of shared facilities that housed broadcast equipment.

''(2) The term 'New York City area' means the five counties comprising New York City and counties of northern New Jersey in immediate proximity to New York City (Bergen, Essex, Union and Hudson Counties) .''.

SEC. 3408. LOW-POWER TELEVISION TRANSITION PROVISIONS.

(a) REMOVAL AND RELOCATION.—Section 337(e) of the Communications Act of 1934 (47 U.S.C. 337(e)) is amended—

(1) in paragraph (1), by striking ''person who'' and inserting ''full-power television station licensee that'';

(2) in paragraph (2), by striking ''746 megahertz'' and inserting ''698 megahertz''; and

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

''(3) CONTINUATION OF LOW-POWER BROADCASTING.—Subject to section 336(f) of the Communications Act (47 U.S.C. 336(f)), a low-power television station, television translator station, or television booster station (as defined by Commission regulations) may operate above 698 megahertz on a secondary basis in accordance with Commission rules, including rules governing completion of the digital television service transition for low-power broadcasters.''.

(b) EXEMPTION FROM DEADLINE.—Section 309(j)(14)(A) of such Act (47 U.S.C. 309(j)(14)(A)) is amended by by inserting ''full-power'' before ''television broadcast license''.

(c) ADVANCED TELEVISION SERVICES.—Section 336(f)(4) of such Act (47 U.S.C. 336(f)(4)) is amended by inserting ''or other low-power station'' after ''television translator station'' in the first sentence.

(d) LOW-POWER TELEVISION DIGITAL-TO-ANALOG CONVERSION.—Part C of the National Telecommunications and Information Administration Organization Act is amended by adding after section 161 (as added by section 3407 of this Act) the following new section:

''SEC. 162. LOW-POWER TELEVISION DIGITAL-TO-ANALOG CONVERSION.

''(a) CREATION OF PROGRAM.—The Assistant Secretary shall use the funds available under subsection (d) from the Low-Power Digital-to-Analog Conversion Fund to implement and administer a program through which each eligible low-power television station may receive compensation toward the cost of the purchase of a digital-to-analog conversion device that enables it to convert the incoming digital signal of its corresponding full-power television station to analog format for transmission on the low-power television station's analog channel. An eligible low-power television station may receive such compensation only if it submits a request for such compensation on or before December 31, 2008.

''(b) ELIGIBLE STATIONS.—For purposes of this section, an eligible low-power television station shall be a low-power television broadcast station, Class A television station, television translator station, or television booster station—

''(1) that is itself broadcasting exclusively in analog format; and

''(2) that has not purchased a digital-to-analog conversion device prior to enactment of this section.

''(c) QUALIFYING DEVICES AND AMOUNTS.—The Assistant Secretary—

''(1) may determine the types of digital-to-analog conversion devices for which an eligible low-power broadcast television station may receive compensation under this section; and

''(2) shall determine the maximum amount of compensation such a low-power television broadcast station may receive based on the average cost of such digital-to-analog conversion devices during the time period such low-power broadcast television station purchased the digital-to-analog conversion device, but in no case shall such compensation exceed $400.

''(d) FUNDS AVAILABLE.—From the Low-Power Digital-to-Analog Conversion Fund established by section 309(j)(8)(E)(i)(IV) of the Communications Act of 1934, there shall be available to carry out this section such sums as may be necessary for fiscal years 2008 and 2009. Any sums that remain unexpended in such Fund at the end of fiscal year 2009 shall revert to and be deposited in the general fund of the Treasury.''.

(e) REPORT AND ORDER REQUIRED.—The Federal Communications Commission shall, not later than December 31, 2008, issue a report and order specifying the methods and schedule by which the Commission will complete the digital television service transition for low-power broadcasters.

SEC. 3409. CONSUMER EDUCATION REGARDING ANALOG TELEVISIONS.

(a) COMMISSION AUTHORITY.—Section 303 of the Communications Act of 1934 (47 U.S.C. 303) is amended by adding at the end the following new subsection:

''(z) Require the consumer education measures specified in section 330(d) in the case of apparatus designed to receive television signals that—

''(1) are shipped in interstate commerce or manufactured in the United States;

''(2) have an integrated display screen or are sold in a bundle with a display screen; and

''(3) are not capable of receiving broadcast signals in the digital television service.''.

(b) CONSUMER EDUCATION REQUIREMENTS.—Section 330 of the Communications Act of 1934 (47 U.S.C. 330) is amended—

(1) in subsection (d), by striking ''sections 303(s), 303(u), and 303(x)'' and inserting ''subsections (s), (u), (x), and (z) of section 303'';

(2) by redesignating subsection (d) as subsection (e); and

(3) by inserting after subsection (c) the following new subsection:

''(d) CONSUMER EDUCATION REGARDING ANALOG TELEVISION RECEIVERS.—

''(1) REQUIREMENTS FOR MANUFACTURERS.—Any manufacturer of any apparatus described in section 303(z) shall—

''(A) place in a conspicuous place on any such apparatus that such manufacturer ships in interstate commerce or manufactures in the United States after 180 days after the date of enactment of the Digital Television Transition Act of 2005, a label containing, in clear and conspicuous print, the warning language required by paragraph (3); and

''(B) also include after 180 days after the date of enactment of the Digital Television Transition Act of 2005, such warning language on the outside of the retail packaging of such apparatus, in a conspicuous place and in clear and conspicuous print, in a manner that cannot be removed.

''(2) REQUIREMENTS FOR RETAIL DISTRIBUTORS.—Any retail distributor shall place conspicuously in the vicinity of each apparatus described in section 303(z) that such distributor displays for sale or rent after 45 days after the date of enactment of the Digital Television Transition Act of 2005, a sign containing, in clear and conspicuous print, the warning language required by paragraph (3). In the case of a retail distributor vending such apparatus via direct mail, catalog, or electronic means, such as displays on the Internet, the warning language required by such paragraph shall be prominently displayed, in clear and conspicuous print, in the vicinity of any language describing the product.

''(3) WARNING LANGUAGE.—The warning language required by this paragraph shall read as follows: 'This television has only an analog broadcast tuner. After December 31, 2008, television broadcasters will broadcast only in digital format. You will then need to connect this television to a digital-to-analog converter box or cable or satellite service if you wish to receive broadcast programming. The device, if any, that a cable or satellite subscriber will need to connect to an analog television will depend on the cable or satellite service provider. The television should continue to work as before, however, with devices such as VCRs, digital video recorders, DVD players, and video game systems. For more information, call the Federal Communications Commission at 1–888–225–5322 (TTY: 1–888–835–5322) or visit the Commission's website at: www.fcc.gov.'.

''(4) COMMISSION AND NTIA OUTREACH.—Beginning within one month after the date of enactment of the Digital Television Transition Act of 2005, the Commission and the National Telecommunications and Information Administration shall engage, either jointly or separately, in a public outreach program, including the distribution of materials on their web sites and in Government buildings, such as post offices, to educate consumers regarding the digital television transition. The Commission and the National Telecommunications and Information Administration may seek public comment in crafting their public outreach program, and may seek the assistance of private entities, such as broadcasters, manufacturers, retailers, cable and satellite operators, and consumer groups in administering the public outreach program. The program shall educate consumers about—

''(A) the deadline for termination of analog television broadcasting;

''(B) the options consumers have after such termination to continue to receive broadcast programming; and

''(C) the converter box program under section 159 of the National Telecommunications and Information Administration Organization Act.

''(5) ADDITIONAL DISCLOSURES.—

''(A) ANNOUNCEMENTS AND NOTICES REQUIRED.—From January 1, 2008, through December 31, 2008—

''(i) each television broadcaster shall air, at a minimum, two 60-second public service announcements per day, one during the 8 to 9 a.m. hour and one during the 8 to 9 p.m. hour; and

''(ii) each multichannel video program distributor (as such term is defined in section 602 of this Act) shall include a notice in any periodic bill.

''(B) CONTENTS OF ANNOUNCEMENTS AND NOTICES.—The announcements and notices required by subparagraphs (A)(i) and (A)(ii), respectively, shall state, at a minimum, that: 'After December 31, 2008, television broadcasters will broadcast only in digital format. You will then no longer be able to receive broadcast programming on analog-only televisions unless those televisions are connected to a digital-to-analog converter box or a cable or satellite service. The device, if any, that a cable or satellite subscriber will need to connect to an analog television will depend on the cable or satellite service provider. Analog-only televisions should continue to work as before, however, with devices such as VCRs, digital video recorders, DVD players, and video game systems. You may be eligible for up to two coupons toward the purchase of up to two converter-boxes. For more information, call the Federal Communications Commission at 1–888–225–5322 (TTY: 1–888–835–5322) or visit the Commission's website at: www.fcc.gov.'.

''(6) REPORT REQUIRED.—Beginning January 31, 2006, and ending July 31, 2008, the Commission and the National Telecommunications and Information Administration, either jointly or separately, shall submit reports every six months to the Committee on Energy and Commerce of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate, on the Commission's and such Administration's consumer education efforts, as well as the consumer education efforts of broadcasters, cable and satellite operators, consumer electronics manufacturers, retailers, and consumer groups. The Commission and such Administration may solicit public comment in preparing their reports.''.

(c) PRESERVING AND EXPEDITING TUNER MANDATES.—The Federal Communications Commission—

(1) shall, within 30 days after the date of enactment of this Act revise the digital television reception capability implementation schedule under section 15.117(i) of its regulations (47 CFR 15.117(i)) to require, in the case of television reception devices that have, or are sold in a bundle with, display screens sized 13 to 24 inches, inclusive, that 100 percent of all such units must include digital television tuners effective March 1, 2007; and

(2) shall not make any other changes that extend or otherwise delay the digital television reception capability implementation schedule for television reception devices that have, or are sold in a bundle with, display screens.

SEC. 3410. ADDITIONAL PROVISIONS.

(a) DIGITAL-TO-ANALOG CONVERSION.—Section 614(b) of the Communications Act of 1934 (47 U.S.C. 534(b)) is amended by adding at the end the following new paragraphs:

''(11) CARRIAGE OF DIGITAL FORMATS.—

''(A) PRIMARY VIDEO STREAM.—With respect to any television station that is transmitting broadcast programming exclusively in the digital television service in a local market, a cable operator of a cable system in that market shall carry the station's primary video stream and program-related material in the digital format transmitted by that station, without material degradation, if the licensee for that station—

''(i) relies on this section or section 615 to obtain carriage of the primary video stream and program-related material on that cable system in that market; and

''(ii) permits the cable system to carry without compensation any other programming broadcast by that station that is carried on that system.

''(B) MULTIPLE FORMATS PERMITTED.—A cable operator of a cable system may offer the primary video stream and program-related material of a local television station described in subparagraph (A) in any analog or digital format or formats, whether or not doing so requires conversion from the format transmitted by the local television station, so long as—

''(i) the cable operator offers the primary video stream and program-related material in the converted analog or digital format or formats without material degradation; and

''(ii) also offers the primary video stream and program-related material in the manner or manners required by this paragraph.

''(C) TRANSITIONAL CONVERSIONS.—Notwithstanding the requirement in subparagraph (A) to carry the primary video stream and program-related material in the digital format transmitted by the local television station, but subject to the prohibition on material degradation, until January 1, 2014—

''(i) a cable operator—

''(I) shall offer the primary video stream and program-related material in the format or formats necessary for such stream and material to be viewable on analog and digital televisions; and

''(II) may convert the primary video stream and program-related material to standard-definition digital format in lieu of offering it in the digital format transmitted by the local television station;

''(ii) notwithstanding clause (i), a cable operator of a cable system with an activated capacity of 550 megahertz or less—

''(I) shall offer the primary video stream and program-related material of the local television station described in subparagraph (A), converted to an analog format; and

''(II) may, but shall not be required to, offer the primary video stream and program-related material in any digital format or formats.

''(D) LOCATION AND METHOD OF CONVERSION.—

''(i) A cable operator of a cable system may perform any conversion permitted or required by this paragraph at any location, from the cable head-end to the customer premises, inclusive.

''(ii) Notwithstanding any other provision of this Act other than the prohibition on material degradation, a cable operator may use switched digital video technology to accomplish any conversion or transmission permitted or required by this paragraph.

''(E) CONVERSIONS NOT TREATED AS DEGRADATION.—Any conversion permitted or required by this paragraph shall not, by itself, be treated as a material degradation.

''(F) CARRIAGE OF PROGRAM-RELATED MATERIAL.—The obligation to carry program-related material under this paragraph is effective only to the extent technically feasible.

''(G) DEFINITION OF STANDARD-DEFINITION FORMAT.—For purposes of this paragraph, a stream shall be in standard definition digital format if such stream meets the criteria for such format as specified in the standard recognized by the Commission in section 73.682 of its rules (47 CFR 73.682) or a successor regulation.''.

(b) TIERING.—Clause (iii) of section 623(b)(7)(A) of such Act (47 U.S.C. 543(b)(7)(A)(iii)) is amended to read as follows:

''(iii) Both of the following signals:

''(I) the primary video stream and program-related material of any television broadcast station that is provided by the cable operator to any subscriber in an analog format, and

''(II) the primary video stream and program-related material—

''(aa) of any television broadcast station that is transmitting exclusively in digital format, and

''(bb) that is provided by the cable operator to any subscriber in a digital format,

but excluding a signal that is secondarily transmitted by a satellite carrier beyond the local service area of such station.''.

(c) COMPARABLE TREATMENT OF SATELLITE CARRIERS.—Section 338 of the Communications Act of 1934 (47 U.S.C. 338) is amended—

(1) by adding at the end the following new subsection:

''(*l*) SPECIFIC CARRIAGE OBLIGATIONS AFTER DIGITAL TRANSITION.—

''(1) CARRIAGE OF DIGITAL FORMATS.—With respect to any television station that requests carriage under this section and that is transmitting broadcast programming exclusively in the digital television service in a local market in the contiguous United States (hereafter in this paragraph referred to as an eligible requesting station), a satellite carrier carrying the digital signal of any other local television station in that local market shall carry the eligible requesting station's primary video stream and program-related material, without material degradation, if the licensee for that eligible requesting station—

''(A) relies on this section to obtain carriage of the primary video stream and program-related material by that satellite carrier in that market; and

''(B) permits the satellite carrier to carry without compensation any other programming broadcast by that local station that is carried on that system.

''(2) FORMATTING OF PRIMARY VIDEO STREAM.—A satellite carrier must offer the primary video stream and program-related material of an eligible requesting station in the digital format transmitted by the station if the satellite carrier carries the primary video stream of any other local television station in that local market in the same digital format.

''(3) MULTIPLE FORMATS PERMITTED.—A satellite carrier may offer the primary video stream and program-related material of an eligible requesting station in any analog or digital format or formats, whether or not doing so requires conversion from the format transmitted by that eligible requesting station, so long as—

''(A) the satellite carrier offers the primary video stream and program-related material in the converted analog or digital format or formats without material degradation; and

''(B) also offers the primary video stream and program-related material in the manner or manners required by this subsection.

''(4) TRANSITIONAL CONVERSIONS.—Notwithstanding any requirement in paragraphs (1) and (2) to carry the primary video stream and program-related material in the digital format transmitted by the local television station, but subject to the prohibition on material degradation, until January 1, 2014, a satellite carrier—

''(A) shall offer the primary video stream and program-related material of any local television broadcast station required to be carried under paragraph (1) in the format necessary for such stream to be viewable on analog and digital televisions; and

''(B) may convert the primary video stream and program-related material to standard-definition format in lieu of offering it in the digital format transmitted by the local television station.

''(5) LOCATION AND METHOD OF CONVERSION.—A satellite carrier may perform any conversion permitted or required by this subsection at any location, from the local receive facility to the customer premises, inclusive.

''(6) CONVERSIONS NOT TREATED AS DEGRADATION.—Any conversion permitted or required by this subsection shall not, by itself, be treated as a material degradation.

''(7) CARRIAGE OF PROGRAM-RELATED MATERIAL.—The obligation to carry program-related material under this subsection is effective only to the extent technically feasible.

''(8) DEFINITION OF STANDARD-DEFINITION FORMAT.—For purposes of this subsection, a stream shall be in standard definition digital format if such stream meets the criteria for such format as specified in the standard recognized by the Commission in section 73.682 of its rules (47 CFR 73.682) or a successor regulation.'';

(2) in subsection (b)(1), by striking ''subsection (a)'' and inserting ''subsection (a) or (*l*)'';

(3) in subsection (c)(1), by striking ''subsection (a)(1)'' and inserting ''subsections (a)(1) and (*l*)''; and

(4) in subsection (c)(2), by striking ''subsection (a)'' and inserting ''subsections (a) and (*l*)''.

(d) DEADLINE.—The Federal Communications Commission shall revise its regulations to implement the amendments made by this section within one year after the date of enactment of this Act.

SEC. 3411. DEPLOYMENT OF BROADBAND WIRELESS TECHNOLOGIES.

Not later than 45 days after the effective date of this Act, the Commission shall initiate a rulemaking to assess the necessity of rechannelizing the spectrum located between 767–773 megahertz and 797–803 megahertz to accommodate broadband applications. Such rulemaking shall be completed within 180 days.

SEC. 3412. SENSE OF CONGRESS.

(a) FINDINGS.—The Congress finds the following:

(1) The wireless communications industry in the United States is becoming increasingly concentrated: there are currently no

ownership limitations on wireless companies, and the five largest wireless carriers in the United States control nearly 90 percent of United States wireless subscribership.

(2) Over 90 percent of households receive their broadband services through either cable or digital subscriber line (DSL) service, and most cable and DSL providers are heavily concentrated within their geographic markets.

(3) Under the Omnibus Budget and Reconciliation Act of 1993, Congress tasked the Federal Communications Commission to promote economic opportunity by disseminating wireless communications licenses among a wide variety of applicants, including small businesses and rural telephone companies.

(4) Upcoming auctions for the returned analog broadcast spectrum in the 700 megahertz band that will be cleared following the transition from analog to digital broadcast television and Advanced Wireless Services (AWS) in the 1710–1755 megahertz and 2110–2155 megahertz bands will likely be the last reallocation opportunities for commercial wireless communications services and wireless broadband services in the foreseeable future.

(5) In the near term, wireless broadband presents the most promising opportunity to provide a third option (other than cable modem or DSL service) for broadband Internet access for most consumers, and the spectrum in the 700 megahertz band is considered ''beachfront'' property by telecommunications carriers because wireless signals at this frequency range pass easily through buildings, trees, and other interference.

(6) The 700 megahertz band offers a historic opportunity to provide the equivalent of a ''third wire'' into the home – an alternative to telephone or cable broadband access that will create new competition and incentives for new entrants, innovation, and broader service offerings.

(b) SENSE OF THE CONGRESS.—It is the sense of the Congress that the Federal Communications Commission should disseminate wireless communications licenses consistent with the findings in subsection (a) and do so utilizing its existing authority under section 309(j) of the Communications Act of 1934, which requires the Commission to promote the following objectives:

(1) the development and rapid deployment of new technologies, products, and services for the benefit of the public, including those residing in rural areas, without administrative or judicial delays;

(2) promoting economic opportunity and competition and ensuring that new and innovative technologies are readily accessible to the American people by avoiding excessive concentration of licenses and by disseminating licenses among a wide variety of applicants, including small businesses and rural telephone companies;

(3) recovery for the public of a portion of the value of the public spectrum resource made available for commercial use and avoidance of unjust enrichment through the methods employed to award uses of that resource; and

(4) efficient and intensive use of the electromagnetic spectrum.

SEC. 3413. BAND PLAN REVISION REQUIRED.

(a) PROCEEDING REQUIRED.—The Federal Communications Commission shall commence a proceeding no later than June 1, 2006, to reevaluate the band plan for the auction of the unauctioned portions of the lower 700 megahertz band (currently designated as Blocks A, B, and E).

(b) RECONFIGURATION REQUIRED.—The Federal Communications Commission shall reconfigure the band plan to license spectrum for Block B of such portion according to Cellular Market Areas (i.e., Metropolitan Statistical Areas (''MSAs'') and Rural Service Areas (''RSAs'')) to facilitate the offering of competitive wireless services by regional and smaller wireless carriers.

TITLE IV—COMMITTEE ON FINANCIAL SERVICES

SECTION 4000. TABLE OF CONTENTS.

The table of contents for this title is as follows:

Sec. 4000. Table of contents.

Subtitle A—Deposit Insurance Reform

Sec. 4001. Short title.
Sec. 4002. Merging the BIF and SAIF.
Sec. 4003. Increase in deposit insurance coverage.
Sec. 4004. Setting assessments and repeal of special rules relating to minimum assessments and free deposit insurance.
Sec. 4005. Replacement of fixed designated reserve ratio with reserve range.
Sec. 4006. Requirements applicable to the risk-based assessment system.
Sec. 4007. Refunds, dividends, and credits from Deposit Insurance Fund.
Sec. 4008. Deposit Insurance Fund restoration plans.
Sec. 4009. Regulations required.
Sec. 4010. Studies of FDIC structure and expenses and certain activities and further possible changes to deposit insurance system.
Sec. 4011. Bi-annual FDIC survey and report on increasing the deposit base by encouraging use of depository institutions by the unbanked.
Sec. 4012. Technical and conforming amendments to the Federal Deposit Insurance Act relating to the merger of the BIF and SAIF.
Sec. 4013. Other technical and conforming amendments relating to the merger of the BIF and SAIF.

Subtitle B—FHA Asset Disposition

Sec. 4101. Short title.
Sec. 4102. Definitions.
Sec. 4103. Appropriated funds requirement for below market sales.
Sec. 4104. Up-front grants.

Subtitle A—Deposit Insurance Reform

SEC. 4001. SHORT TITLE.

This subtitle may be cited as the ''Federal Deposit Insurance Reform Act of 2005''.

SEC. 4002. MERGING THE BIF AND SAIF.

(a) IN GENERAL.—

(1) MERGER.—The Bank Insurance Fund and the Savings Association Insurance Fund shall be merged into the Deposit Insurance Fund.

(2) DISPOSITION OF ASSETS AND LIABILITIES.—All assets and liabilities of the Bank Insurance Fund and the Savings Association Insurance Fund shall be transferred to the Deposit Insurance Fund.

(3) NO SEPARATE EXISTENCE.—The separate existence of the Bank Insurance Fund and the Savings Association Insurance Fund shall cease on the effective date of the merger thereof under this section.

(b) REPEAL OF OUTDATED MERGER PROVISION.—Section 2704 of the Deposit Insurance Funds Act of 1996 (12 U.S.C. 1821 note) is repealed.

(c) EFFECTIVE DATE.—This section shall take effect on the first day of the first calendar quarter that begins after the end of the 90-day period beginning on the date of the enactment of this Act.

SEC. 4003. INCREASE IN DEPOSIT INSURANCE COVERAGE.

(a) IN GENERAL.—Section 11(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)) is amended—

(1) by striking subparagraph (B) and inserting the following new subparagraph:

''(B) NET AMOUNT OF INSURED DEPOSIT.—The net amount due to any depositor at an insured depository institution shall not exceed the standard maximum deposit insurance amount as determined in accordance with subparagraphs (C), (D), (E) and (F) and paragraph (3).''; and

(2) by adding at the end the following new subparagraphs:

''(E) STANDARD MAXIMUM DEPOSIT INSURANCE AMOUNT DEFINED.—For purposes of this Act, the term 'standard maximum deposit insurance amount' means—

''(i) until the effective date of final regulations prescribed pursuant to section 4009(a)(2) of the Federal Deposit Insurance Reform Act of 2005, $100,000; and

''(ii) on and after such effective date, $130,000, adjusted as provided under subparagraph (F).

''(F) INFLATION ADJUSTMENT.—

''(i) IN GENERAL.—By April 1 of 2007, and the 1st day of each subsequent 5-year period, the Board of Directors and the National Credit Union Administration Board shall jointly prescribe the amount by which the standard maximum deposit insurance amount and the standard maximum share insurance amount (as defined in section 207(k) of the Federal Credit Union Act) applicable to any depositor at an insured depository institution shall be increased by calculating the product of—

''(I) $130,000; and

''(II) the ratio of the value of the Personal Consumption Expenditures Chain-Type Index (or any successor index thereto), published by the Department of Commerce, as of December 31 of the year preceding the year in which the adjustment is calculated under this clause, to the value of such index as of the date this subparagraph takes effect.

''(ii) ROUNDING.—If the amount determined under clause (ii) for any period is not a multiple of $10,000, the amount so determined shall be rounded to the nearest $10,000.

''(iii) PUBLICATION AND REPORT TO THE CONGRESS.—Not later than April 5 of any calendar year in which an adjustment is required to be calculated under clause (i) to the standard maximum deposit insurance amount and the standard maximum share insurance amount under such clause, the Board of Directors and the National Credit Union Administration Board shall—

''(I) publish in the Federal Register the standard maximum deposit insurance amount, the standard maximum share insurance amount, and the amount of coverage under paragraph (3)(A) and section 207(k)(3) of the Federal Credit Union Act, as so calculated; and

''(II) jointly submit a report to the Congress containing the amounts described in subclause (I).

''(iv) 6-MONTH IMPLEMENTATION PERIOD.—Unless an Act of Congress enacted before July 1 of the calendar year in which an adjustment is required to be calculated under clause (i) provides otherwise, the increase in the standard maximum deposit insurance amount and the standard maximum share insurance amount shall take effect on January 1 of the year immediately succeeding such calendar year.''.

(b) COVERAGE FOR CERTAIN EMPLOYEE BENEFIT PLAN DEPOSITS.—Section 11(a)(1)(D) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)(D)) is amended to read as follows:

''(D) COVERAGE FOR CERTAIN EMPLOYEE BENEFIT PLAN DEPOSITS.—

''(i) PASS-THROUGH INSURANCE.—The Corporation shall provide pass-through deposit insurance for the deposits of any employee benefit plan.

''(ii) PROHIBITION ON ACCEPTANCE OF BENEFIT PLAN DEPOSITS.—An insured depository institution that is not well capitalized or adequately capitalized may not accept employee benefit plan deposits.

''(iii) DEFINITIONS.—For purposes of this subparagraph, the following definitions shall apply:

''(I) CAPITAL STANDARDS.—The terms 'well capitalized' and 'adequately capitalized' have the same meanings as in section 38.

''(II) EMPLOYEE BENEFIT PLAN.—The term 'employee benefit plan' has the same meaning as in paragraph (8)(B)(ii), and includes any eligible deferred compensation plan described in section 457 of the Internal Revenue Code of 1986.

''(III) PASS-THROUGH DEPOSIT INSURANCE.—The term 'pass-through deposit insurance' means, with respect to an employee benefit plan, deposit insurance coverage provided on a pro rata basis to the participants in the plan, in accordance with the interest of each participant.''.

(c) DOUBLING OF DEPOSIT INSURANCE FOR CERTAIN RETIREMENT ACCOUNTS.—Section 11(a)(3)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(3)(A)) is amended by striking ''$100,000'' and inserting ''2 times the standard maximum deposit insurance amount (as determined under paragraph (1))''.

(d) INCREASED INSURANCE COVERAGE FOR MUNICIPAL DEPOSITS.—Section 11(a)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(2)) is amended—

(1) in subparagraph (A)—

(A) by moving the margins of clauses (i) through (v) 4 ems to the right;

(B) by striking, in the matter following clause (v), ''such depositor shall'' and all that follows through the period; and

(C) by striking the semicolon at the end of clause (v) and inserting a period;

(2) by striking ''(2)(A) Notwithstanding'' and all that follows through ''a depositor who is—'' and inserting the following:

''(2) MUNICIPAL DEPOSITORS.—

''(A) IN GENERAL.—Notwithstanding any limitation in this Act or in any other provision of law relating to the amount of deposit insurance available to any 1 depositor—

''(i) a municipal depositor shall, for the purpose of determining the amount of insured deposits under this subsection, be deemed to be a depositor separate and distinct from any other officer, employee, or agent of the United States or any public unit referred to in subparagraph (E); and

''(ii) except as provided in subparagraph (B), the deposits of a municipal depositor shall be insured in an amount equal to the standard maximum deposit insurance amount (as determined under paragraph (1)).

''(B) IN-STATE MUNICIPAL DEPOSITORS.—In the case of the deposits of an in-State municipal depositor described in clause (ii), (iii), (iv), or (v) of subparagraph (E) at an insured depository institution, such deposits shall be insured in an amount not to exceed the lesser of—

''(i) $2,000,000; or

''(ii) the sum of the standard maximum deposit insurance amount and 80 percent of the amount of any deposits in excess of the standard maximum deposit insurance amount.

''(C) MUNICIPAL DEPOSIT PARITY.—No State may deny to insured depository institutions within its jurisdiction the authority to accept deposits insured under this paragraph, or prohibit the making of such deposits in such institutions by any in-State municipal depositor.

''(D) IN-STATE MUNICIPAL DEPOSITOR DEFINED.—For purposes of this paragraph, the term 'in-State municipal depositor' means a municipal depositor that is located in the same State as the office or branch of the insured depository institution at which the deposits of that depositor are held.

''(E) MUNICIPAL DEPOSITOR.—In this paragraph, the term 'municipal depositor' means a depositor that is—'';

(3) by striking ''(B) The'' and inserting the following:

''(F) AUTHORITY TO LIMIT DEPOSITS.—The''; and

(4) by striking ''depositor referred to in subparagraph (A) of this paragraph'' each place such term appears and inserting ''municipal depositor''.

(e) TECHNICAL AND CONFORMING AMENDMENT RELATING TO INSURANCE OF TRUST FUNDS.—Paragraphs (1) and (3) of section 7(i) of the Federal Deposit Insurance Act (12 U.S.C. 1817(i)) are each amended by striking ''$100,000'' and inserting ''the standard maximum deposit insurance amount (as determined under section 11(a)(1))''.

(f) OTHER TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Section 11(m)(6) of the Federal Deposit Insurance Act (12 U.S.C. 1821(m)(6)) is amended by striking ''$100,000'' and inserting ''an amount equal to the standard maximum deposit insurance amount''.

(2) Subsection (a) of section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828(a)) is amended to read as follows:

''(a) INSURANCE LOGO.—

''(1) INSURED DEPOSITORY INSTITUTIONS.—

''(A) IN GENERAL.—Each insured depository institution shall display at each place of business maintained by that institution a sign or signs relating to the insurance of the deposits of the institution, in accordance with regulations to be prescribed by the Corporation.

''(B) STATEMENT TO BE INCLUDED.—Each sign required under subparagraph (A) shall include a statement that insured deposits are backed by the full faith and credit of the United States Government.

''(2) REGULATIONS.—The Corporation shall prescribe regulations to carry out this subsection, including regulations governing the substance of signs required by paragraph (1) and the manner of display or use of such signs.

''(3) PENALTIES.—For each day that an insured depository institution continues to violate this subsection or any regulation issued under this subsection, it shall be subject to a penalty of not more than $100, which the Corporation may recover for its use.''.

(3) Section 43(d) of the Federal Deposit Insurance Act (12 U.S.C. 1831t(d)) is amended by striking ''$100,000'' and inserting ''an amount equal to the standard maximum deposit insurance amount''.

(4) Section 6 of the International Banking Act of 1978 (12 U.S.C. 3104) is amended—

(A) by striking ''$100,000'' each place such term appears and inserting ''an amount equal to the standard maximum deposit insurance amount''; and

(B) by adding at the end the following new subsection:

''(e) STANDARD MAXIMUM DEPOSIT INSURANCE AMOUNT DEFINED.—For purposes of this section, the term 'standard maximum deposit insurance amount' means the amount of the maximum amount of deposit insurance as determined under section 11(a)(1) of the Federal Deposit Insurance Act.''.

(g) CONFORMING CHANGE TO CREDIT UNION SHARE INSURANCE FUND.—

(1) IN GENERAL.—Section 207(k) of the Federal Credit Union Act (12 U.S.C. 1787(k)) is amended—

(A) by striking ''(k)(1)'' and all that follows through the end of paragraph (1) and inserting the following:

''(k) INSURED AMOUNTS PAYABLE.—

''(1) NET INSURED AMOUNT.—

''(A) IN GENERAL.—Subject to the provisions of paragraph (2), the net amount of share insurance payable to any member at an insured credit union shall not exceed the total amount of the shares or deposits in the name of the member (after deducting offsets), less any part thereof which is in excess of the standard maximum share insurance amount, as determined in accordance with this paragraph and paragraphs (5) and (6), and consistently with actions taken by the Federal Deposit Insurance Corporation under section 11(a) of the Federal Deposit Insurance Act.

''(B) AGGREGATION.—Determination of the net amount of share insurance under subparagraph (A), shall be in accordance with such regulations as the Board may prescribe, and, in determining the amount payable to any member, there shall be added together all accounts in the credit union maintained by that member for that member's own benefit, either in the member's own name or in the names of others.

''(C) AUTHORITY TO DEFINE THE EXTENT OF COVERAGE.—The Board may define, with such classifications and exceptions as it may prescribe, the extent of the share insurance coverage provided for member accounts, including member accounts in the name of a minor, in trust, or in joint tenancy.'';

(B) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clauses (i) through (v), by moving the margins 4 ems to the right;

(II) in the matter following clause (v), by striking ''his account'' and all that follows through the period; and

(III) by striking the semicolon at the end of clause (v) and inserting a period;

(ii) by striking ''(2)(A) Notwithstanding'' and all that follows through ''a depositor or member who is—'' and inserting the following:

''(2) MUNICIPAL DEPOSITORS OR MEMBERS.—

''(A) IN GENERAL.—Notwithstanding any limitation in this Act or in any other provision of law relating to the amount of insurance available to any 1 depositor or member, deposits or shares of a municipal depositor or member shall be insured in an amount equal to the standard maximum share insurance amount (as determined under paragraph (5)), except as provided in subparagraph (B).

''(B) IN-STATE MUNICIPAL DEPOSITORS.—In the case of the deposits of an in-State municipal depositor described in clause (ii), (iii), (iv), or (v) of subparagraph (E) at an insured credit union, such deposits shall be insured in an amount equal to the lesser of—

''(i) $2,000,000; or

''(ii) the sum of the standard maximum deposit insurance amount and 80 percent of the amount of any deposits in excess of the standard maximum deposit insurance amount.

''(C) RULE OF CONSTRUCTION.—No provision of this paragraph shall be construed as authorizing an insured credit union to accept the deposits of a municipal depositor in an amount greater than such credit union is authorized to accept under any other provision of Federal or State law.

''(D) IN-STATE MUNICIPAL DEPOSITOR DEFINED.—For purposes of this paragraph, the term 'in-State municipal depositor' means a municipal depositor that is located in the same State as the office or branch of the insured credit union at which the deposits of that depositor are held.

''(E) MUNICIPAL DEPOSITOR.—In this paragraph, the term 'municipal depositor' means a depositor that is—'';

(iii) by striking ''(B) The'' and inserting the following:

''(F) AUTHORITY TO LIMIT DEPOSITS.—The''; and

(iv) by striking ''depositor or member referred to in subparagraph (A)'' and inserting ''municipal depositor or member''; and

(C) by adding at the end the following new paragraphs:

''(4) COVERAGE FOR CERTAIN EMPLOYEE BENEFIT PLAN DEPOSITS.—

''(A) PASS-THROUGH INSURANCE.—The Administration shall provide pass-through share insurance for the deposits or shares of any employee benefit plan.

''(B) PROHIBITION ON ACCEPTANCE OF DEPOSITS.—An insured credit union that is not well capitalized or adequately capitalized may not accept employee benefit plan deposits.

''(C) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

''(i) CAPITAL STANDARDS.—The terms 'well capitalized' and 'adequately capitalized' have the same meanings as in section 216(c).

''(ii) EMPLOYEE BENEFIT PLAN.—The term 'employee benefit plan'—

''(I) has the meaning given to such term in section 3(3) of the Employee Retirement Income Security Act of 1974;

''(II) includes any plan described in section 401(d) of the Internal Revenue Code of 1986; and

''(III) includes any eligible deferred compensation plan described in section 457 of the Internal Revenue Code of 1986.

''(iii) PASS-THROUGH SHARE INSURANCE.—The term 'pass-through share insurance' means, with respect to an employee benefit plan, insurance coverage provided on a pro rata basis to the participants in the plan, in accordance with the interest of each participant.

''(D) RULE OF CONSTRUCTION.—No provision of this paragraph shall be construed as authorizing an insured credit union to accept the deposits of an employee benefit plan in an amount greater than such credit union is authorized to accept under any other provision of Federal or State law.

''(5) STANDARD MAXIMUM SHARE INSURANCE AMOUNT DEFINED.—For purposes of this Act, the term 'standard maximum share insurance amount' means—

''(A) until the effective date of final regulations prescribed pursuant to section 4009(a)(2) of the Federal Deposit Insurance Reform Act of 2005, $100,000; and

''(B) on and after such effective date, $130,000, adjusted as provided under section 11(a)(1)(F) of the Federal Deposit Insurance Act.''.

(2) DOUBLING OF SHARE INSURANCE FOR CERTAIN RETIREMENT ACCOUNTS.—Section 207(k)(3) of the Federal Credit Union Act (12 U.S.C. 1787(k)(3)) is amended by striking ''$100,000'' and inserting ''2 times the standard maximum share insurance amount (as determined under paragraph (1))''.

(h) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date the final regulations required under section 4009(a)(2) take effect.

SEC. 4004. SETTING ASSESSMENTS AND REPEAL OF SPECIAL RULES RELATING TO MINIMUM ASSESSMENTS AND FREE DEPOSIT INSURANCE.

(a) SETTING ASSESSMENTS.—Section 7(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)) is amended—

(1) by striking subparagraphs (A) and (B) and inserting the following new subparagraphs:

''(A) IN GENERAL.—The Board of Directors shall set assessments for insured depository institutions in such amounts as the Board of Directors may determine to be necessary or appropriate, subject to subparagraph (D).

''(B) FACTORS TO BE CONSIDERED.—In setting assessments under subparagraph (A), the Board of Directors shall consider the following factors:

''(i) The estimated operating expenses of the Deposit Insurance Fund.

''(ii) The estimated case resolution expenses and income of the Deposit Insurance Fund.

''(iii) The projected effects of the payment of assessments on the capital and earnings of insured depository institutions.

''(iv) the risk factors and other factors taken into account pursuant to paragraph (1) under the risk-based assessment system, including the requirement under such paragraph to maintain a risk-based system.

''(v) Any other factors the Board of Directors may determine to be appropriate.''; and

(2) by inserting after subparagraph (C) the following new subparagraph:

''(D) BASE RATE FOR ASSESSMENTS.—

''(i) IN GENERAL.—In setting assessment rates pursuant to subparagraph (A), the Board of Directors shall establish a base rate of not more than 1 basis point (exclusive of any credit or dividend) for those insured depository institutions in the lowest-risk category under the risk-based assessment system established pursuant to paragraph (1). No insured depository institution shall be barred from the lowest-risk category solely because of size.

''(ii) SUSPENSION.—Clause (i) shall not apply during any period in which the reserve ratio of the Deposit Insurance Fund is less than the amount which is equal to 1.15 percent of the aggregate estimated insured deposits.''.

(b) ASSESSMENT RECORDKEEPING PERIOD SHORTENED.—Paragraph (5) of section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)) is amended to read as follows:

''(5) DEPOSITORY INSTITUTION REQUIRED TO MAINTAIN ASSESSMENT-RELATED RECORDS.—Each insured depository institution shall maintain all records that the Corporation may require for verifying the correctness of any assessment on the insured depository institution under this subsection until the later of—

''(A) the end of the 3-year period beginning on the due date of the assessment; or

''(B) in the case of a dispute between the insured depository institution and the Corporation with respect to such assessment, the date of a final determination of any such dispute.''.

(c) INCREASE IN FEES FOR LATE ASSESSMENT PAYMENTS.—Subsection (h) of section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828(h)) is amended to read as follows:

''(h) PENALTY FOR FAILURE TO TIMELY PAY ASSESSMENTS.—

''(1) IN GENERAL.—Subject to paragraph (3), any insured depository institution which fails or refuses to pay any assessment shall be subject to a penalty in an amount not more than 1 percent of the amount of the assessment due for each day that such violation continues.

''(2) EXCEPTION IN CASE OF DISPUTE.—Paragraph (1) shall not apply if—

''(A) the failure to pay an assessment is due to a dispute between the insured depository institution and the Corporation over the amount of such assessment; and

''(B) the insured depository institution deposits security satisfactory to the Corporation for payment upon final determination of the issue.

''(3) SPECIAL RULE FOR SMALL ASSESSMENT AMOUNTS.—If the amount of the assessment which an insured depository institution fails or refuses to pay is less than $10,000 at the time of such failure or refusal, the amount of any penalty to which such institution is subject under paragraph (1) shall not exceed $100 for each day that such violation continues.

''(4) AUTHORITY TO MODIFY OR REMIT PENALTY.—The Corporation, in the sole discretion of the Corporation, may compromise, modify or remit any penalty which the Corporation may assess or has already assessed under paragraph (1) upon a finding that good cause prevented the timely payment of an assessment.''.

(d) ASSESSMENTS FOR LIFELINE ACCOUNTS.—

(1) IN GENERAL.—Section 232 of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 1834) is amended by striking subsection (c).

(2) CLARIFICATION OF RATE APPLICABLE TO DEPOSITS ATTRIBUTABLE TO LIFELINE ACCOUNTS.—Section 7(b)(2)(H) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(H)) is amended by striking ''at a rate determined in accordance with such Act'' and inserting ''at ½ the assessment rate otherwise applicable for such insured depository institution''.

(3) REGULATIONS.—Section 232(a)(1) of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 1834(a)(1)) is amended by striking ''Board of Governors of the Federal Reserve System, and the''.

(e) TECHNICAL AND CONFORMING AMENDMENTS.—

(1) Paragraph (3) of section 7(a) of the Federal Deposit Insurance Act (12 U.S.C. 1817(a)(3)) is amended by striking the 3d sentence and inserting the following: ''Such reports of condition shall be the basis for the certified statements to be filed pursuant to subsection (c).''.

(2) Subparagraphs (B)(ii) and (C) of section 7(b)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(1)) are each amended by striking ''semiannual'' where such term appears in each such subparagraph.

(3) Section 7(b)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)) is amended—

(A) by striking subparagraphs (E), (F), and (G);

(B) in subparagraph (C), by striking ''semiannual''; and

(C) by redesignating subparagraph (H) (as amended by subsection (e)(2) of this section) as subparagraph (E).

(4) Section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)) is amended by striking paragraph (4) and redesignating paragraphs (5) (as amended by subsection (b) of this section), (6), and (7) as paragraphs (4), (5), and (6) respectively.

(5) Section 7(c) of the Federal Deposit Insurance Act (12 U.S.C. 1817(c)) is amended—

(A) in paragraph (1)(A), by striking ''semiannual'';

(B) in paragraph (2)(A), by striking ''semiannual''; and

(C) in paragraph (3), by striking ''semiannual period'' and inserting ''initial assessment period''.

(6) Section 8(p) of the Federal Deposit Insurance Act (12 U.S.C. 1818(p)) is amended by striking ''semiannual''.

(7) Section 8(q) of the Federal Deposit Insurance Act (12 U.S.C. 1818(q)) is amended by striking ''semiannual period'' and inserting ''assessment period''.

(8) Section 13(c)(4)(G)(ii)(II) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)(4)(G)(ii)(II)) is amended by striking ''semiannual period'' and inserting ''assessment period''.

(9) Section 232(a) of the Federal Deposit Insurance Corporation Improvement Act of 1991 (12 U.S.C. 1834(a)) is amended—

(A) in the matter preceding subparagraph (A) of paragraph (2), by striking ''the Board and'';

(B) in subparagraph (J) of paragraph (2), by striking ''the Board'' and inserting ''the Corporation'';

(C) by striking subparagraph (A) of paragraph (3) and inserting the following new subparagraph:

''(A) CORPORATION.—The term 'Corporation' means the Federal Deposit Insurance Corporation.''; and

(D) in subparagraph (C) of paragraph (3), by striking ''Board'' and inserting ''Corporation''.

(f) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date that the final regulations required under section 4009(a)(5) take effect.

SEC. 4005. REPLACEMENT OF FIXED DESIGNATED RESERVE RATIO WITH RESERVE RANGE.

(a) IN GENERAL.—Section 7(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(3)) is amended to read as follows:

''(3) DESIGNATED RESERVE RATIO.—

''(A) ESTABLISHMENT.—

''(i) IN GENERAL.—The Board of Directors shall designate, by regulation after notice and opportunity for comment, the reserve ratio applicable with respect to the Deposit Insurance Fund.

''(ii) NOT LESS THAN ANNUAL REDETERMINATION.—A determination under clause (i) shall be made by the Board of Directors at least before the beginning of each calendar year, for such calendar year, and at such other times as the Board of Directors may determine to be appropriate.

''(B) RANGE.—The reserve ratio designated by the Board of Directors for any year—

''(i) may not exceed 1.4 percent of estimated insured deposits; and

''(ii) may not be less than 1.15 percent of estimated insured deposits.

''(C) FACTORS.—In designating a reserve ratio for any year, the Board of Directors shall—

''(i) take into account the risk of losses to the Deposit Insurance Fund in such year and future years, including historic experience and potential and estimated losses from insured depository institutions;

''(ii) take into account economic conditions generally affecting insured depository institutions so as to allow the designated reserve ratio to increase during more favorable economic conditions and to decrease during less favorable economic conditions, notwithstanding the increased risks of loss that may exist during such less favorable conditions, as determined to be appropriate by the Board of Directors;

''(iii) seek to prevent sharp swings in the assessment rates for insured depository institutions; and

''(iv) take into account such other factors as the Board of Directors may determine to be appropriate, consistent with the requirements of this subparagraph.

''(D) PUBLICATION OF PROPOSED CHANGE IN RATIO.—In soliciting comment on any proposed change in the designated reserve ratio in accordance with subparagraph (A), the Board of Directors shall include in the published proposal a thorough analysis of the data and projections on which the proposal is based.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—Section 3(y) of the Federal Deposit Insurance Act (12 U.S.C. 1813(y)) is amended—

(1) by striking ''(y) The term'' and inserting(y) Definitions Relating to Deposit Insurance Fund.—

''(1) DEPOSIT INSURANCE FUND.—The term''; and

(2) by inserting after paragraph (1) (as so designated by paragraph (1) of this subsection) the following new paragraph:

''(2) DESIGNATED RESERVE RATIO.—The term 'designated reserve ratio' means the reserve ratio designated by the Board of Directors in accordance with section 7(b)(3).''.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date that the final regulations required under section 4009(a)(1) take effect.

SEC. 4006. REQUIREMENTS APPLICABLE TO THE RISK-BASED ASSESSMENT SYSTEM.

Section 7(b)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(1)) is amended by adding at the end the following new subparagraphs:

''(E) INFORMATION CONCERNING RISK OF LOSS AND ECONOMIC CONDITIONS.—

''(i) SOURCES OF INFORMATION.—For purposes of determining risk of losses at insured depository institutions and economic conditions generally affecting depository institutions, the Corporation shall collect information, as appropriate, from all sources the Board of Directors considers appropriate, such as reports of condition, inspection reports, and other information from all Federal banking agencies, any information available from State bank supervisors, State insurance and securities regulators, the Securities and Exchange Commission (including information described in section 35), the Secretary of the Treasury, the Commodity Futures Trading Commission, the Farm Credit Administration, the Federal Trade Commission, any Federal reserve bank or Federal home loan bank, and other regulators of financial institutions, and any information available from credit rating entities, and other private economic or business analysts.

''(ii) CONSULTATION WITH FEDERAL BANKING AGENCIES.—

''(I) IN GENERAL.—Except as provided in subclause (II), in assessing the risk of loss to the Deposit Insurance Fund with respect to any insured depository institution, the Corporation shall consult with the appropriate Federal banking agency of such institution.

''(II) TREATMENT ON AGGREGATE BASIS.—In the case of insured depository institutions that are well capitalized (as defined in section 38) and, in the most recent examination, were found to be well managed, the consultation under subclause (I) concerning the assessment of the risk of loss posed by such institutions may be made on an aggregate basis.

''(iii) RULE OF CONSTRUCTION.—No provision of this paragraph shall be construed as providing any new authority for the Corporation to require submission of information by insured depository institutions to the Corporation.

''(F) MODIFICATIONS TO THE RISK-BASED ASSESSMENT SYSTEM ALLOWED ONLY AFTER NOTICE AND COMMENT.—In revising or modifying the risk-based assessment system at any time after the date of the enactment of the Federal Deposit Insurance Reform Act of 2005, the Board of Directors may implement such revisions or modification in final form only after notice and opportunity for comment.''.

SEC. 4007. REFUNDS, DIVIDENDS, AND CREDITS FROM DEPOSIT INSURANCE FUND.

(a) IN GENERAL.—Subsection (e) of section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817(e)) is amended to read as follows:

''(e) REFUNDS, DIVIDENDS, AND CREDITS.—

''(1) REFUNDS OF OVERPAYMENTS.—In the case of any payment of an assessment by an insured depository institution in excess of the amount due to the Corporation, the Corporation may—

''(A) refund the amount of the excess payment to the insured depository institution; or

''(B) credit such excess amount toward the payment of subsequent assessments until such credit is exhausted.

''(2) DIVIDENDS FROM EXCESS AMOUNTS IN DEPOSIT INSURANCE FUND.—

''(A) RESERVE RATIO IN EXCESS OF 1.4 PERCENT OF ESTIMATED INSURED DEPOSITS.—Whenever the reserve ratio of the Deposit Insurance Fund exceeds 1.4 percent of estimated insured deposits, the Corporation shall declare the amount in the Fund in excess of the amount required to maintain the reserve ratio at 1.4 percent of estimated insured deposits, as dividends to be paid to insured depository institutions.

''(B) RESERVE RATIO EQUAL TO OR IN EXCESS OF 1.35 PERCENT OF ESTIMATED INSURED DEPOSITS AND NOT MORE THAN 1.4 PERCENT.—Whenever the reserve ratio of the Deposit Insurance Fund equals or exceeds 1.35 percent of estimated insured deposits and is not more than 1.4 percent of such deposits, the Corporation shall declare the amount in the Fund that is equal to 50 percent of the amount in excess of the amount required to maintain the reserve ratio at 1.35 percent of the estimated insured deposits as dividends to be paid to insured depository institutions.

''(C) BASIS FOR DISTRIBUTION OF DIVIDENDS.—

''(i) IN GENERAL.—Solely for the purposes of dividend distribution under this paragraph and credit distribution under paragraph (3)(B), the Corporation shall determine each insured depository institution's relative contribution to the Deposit Insurance Fund (or any predecessor deposit insurance fund) for calculating such institution's share of any dividend or credit declared under this paragraph or paragraph (3)(B), taking into account the factors described in clause (ii).

''(ii) FACTORS FOR DISTRIBUTION.—In implementing this paragraph and paragraph (3)(B) in accordance with regulations, the Corporation shall take into account the following factors:

''(I) The ratio of the assessment base of an insured depository institution (including any predecessor) on December 31, 1996, to the assessment base of all eligible insured depository institutions on that date.

''(II) The total amount of assessments paid on or after January 1, 1997, by an insured depository institution (including any predecessor) to the Deposit Insurance Fund (and any predecessor deposit insurance fund).

''(III) That portion of assessments paid by an insured depository institution (including any predecessor) that reflects higher levels of risk assumed by such institution.

''(IV) Such other factors as the Corporation may determine to be appropriate.

''(D) NOTICE AND OPPORTUNITY FOR COMMENT.—The Corporation shall prescribe by regulation, after notice and opportunity for comment, the method for the calculation, declaration, and payment of dividends under this paragraph.

''(3) CREDIT POOL.—

''(A) ONE-TIME CREDIT BASED ON TOTAL ASSESSMENT BASE AT YEAR-END 1996.—

''(i) IN GENERAL.—Before the end of the 270-day period beginning on the date of the enactment of the Federal Deposit Insurance Reform Act of 2005, the Board of Directors shall, by regulation, provide for a credit to each eligible insured depository institution, based on the assessment base of the institution (including any predecessor institution) on December 31, 1996, as compared to the combined aggregate assessment base of all eligible insured depository institutions, taking into account such factors as the Board of Directors may determine to be appropriate.

''(ii) CREDIT LIMIT.—The aggregate amount of credits available under clause (i) to all eligible insured depository institutions shall equal the amount that the Corporation could collect if the Corporation imposed an assessment of 12 basis points on the combined assessment base of the Bank Insurance Fund and the Savings Association Insurance Fund as of December 31, 2001.

''(iii) ELIGIBLE INSURED DEPOSITORY INSTITUTION DEFINED.—For purposes of this paragraph, the term 'eligible insured depository institution' means any insured depository institution that—

''(I) was in existence on December 31, 1996, and paid a deposit insurance assessment prior to that date; or

''(II) is a successor to any insured depository institution described in subclause (I).

''(iv) APPLICATION OF CREDITS.—

''(I) IN GENERAL.—The amount of a credit to any eligible insured depository institution under this paragraph shall be applied by the Corporation, subject to subsection (b)(3)(E), to the assessments imposed on such institution under subsection (b) that become due for assessment periods beginning after the effective date of regulations prescribed under clause (i).

''(II) REGULATIONS.—The regulations prescribed under clause (i) shall establish the qualifications and procedures governing the application of assessment credits pursuant to subclause (I).

''(v) LIMITATION ON AMOUNT OF CREDIT FOR CERTAIN DEPOSITORY INSTITUTIONS.—In the case of an insured depository institution that exhibits financial, operational, or compliance weaknesses ranging from moderately severe to unsatisfactory, or is not adequately capitalized (as defined in section 38) at the beginning of an assessment period, the amount of any credit allowed under this paragraph against the assessment on that depository institution for such period may not exceed the amount calculated by applying to that depository institution the average assessment rate on all insured depository institutions for such assessment period.

''(vi) PREDECESSOR DEFINED.—For purposes of this paragraph, the term 'predecessor', when used with respect to any insured depository institution, includes any other insured depository institution acquired by or merged with such insured depository institution.

''(B) ON-GOING CREDIT POOL.—

''(i) IN GENERAL.—In addition to the credit provided pursuant to subparagraph (A) and subject to the limitation contained in clause (v) of such subparagraph, the Corporation shall, by regulation, establish an on-going system of credits to be applied against future assessments under subsection (b)(1) on the same basis as the dividends provided under paragraph (2)(C).

''(ii) LIMITATION ON CREDITS UNDER CERTAIN CIRCUMSTANCES.—No credits may be awarded by the Corporation under this subparagraph during any period in which—

''(I) the reserve ratio of the Deposit Insurance Fund is less than the designated reserve ratio of such Fund; or

''(II) the reserve ratio of the Fund is less than 1.25 percent of the amount of estimated insured deposits.

''(iii) CRITERIA FOR DETERMINATION.—In determining the amounts of any assessment credits under this subparagraph, the Board of Directors shall take into account the factors for designating the reserve ratio under subsection (b)(3) and the factors for setting assessments under subsection (b)(2)(B).

''(4) ADMINISTRATIVE REVIEW.—

''(A) IN GENERAL.—The regulations prescribed under paragraph (2)(D) and subparagraphs (A) and (B) of paragraph (3) shall include provisions allowing an insured depository institution a reasonable opportunity to challenge administratively the amount of the credit or dividend determined under paragraph (2) or (3) for such institution.

''(B) ADMINISTRATIVE REVIEW.—Any review under subparagraph (A) of any determination of the Corporation under paragraph (2) or (3) shall be final and not subject to judicial review.''.

(b) DEFINITION OF RESERVE RATIO.—Section 3(y) of the Federal Deposit Insurance Act (12 U.S.C. 1813(y)) (as amended by section 4005(b) of this subtitle) is amended by adding at the end the following new paragraph:

''(3) RESERVE RATIO.—The term 'reserve ratio', when used with regard to the Deposit Insurance Fund other than in connection with a reference to the designated reserve ratio, means the ratio of the net worth of the Deposit Insurance Fund to the value of the aggregate estimated insured deposits.''.

SEC. 4008. DEPOSIT INSURANCE FUND RESTORATION PLANS.

Section 7(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(3)) (as amended by section 4005(a) of this subtitle) is amended by adding at the end the following new subparagraph:

''(E) DIF RESTORATION PLANS.—

''(i) IN GENERAL.—Whenever—

''(I) the Corporation projects that the reserve ratio of the Deposit Insurance Fund will, within 6 months of such determination, fall below the minimum amount specified in subparagraph (B)(ii) for the designated reserve ratio; or

''(II) the reserve ratio of the Deposit Insurance Fund actually falls below the minimum amount specified in subparagraph (B)(ii) for the designated reserve ratio without any determination under subclause (I) having been made,

the Corporation shall establish and implement a Deposit Insurance Fund restoration plan within 90 days that meets the requirements of clause (ii) and such other conditions as the Corporation determines to be appropriate.

''(ii) REQUIREMENTS OF RESTORATION PLAN.—A Deposit Insurance Fund restoration plan meets the requirements of this clause if the plan provides that the reserve ratio of the Fund will meet or exceed the minimum amount specified in subparagraph (B)(ii) for the designated reserve ratio before the end of the 10-year period beginning upon the implementation of the plan.

''(iii) RESTRICTION ON ASSESSMENT CREDITS.—As part of any restoration plan under this subparagraph, the Corporation may elect to restrict the application of assessment credits provided under subsection (e)(3) for any period that the plan is in effect.

''(iv) LIMITATION ON RESTRICTION.—Notwithstanding clause (iii), while any restoration plan under this subparagraph is in effect, the Corporation shall apply credits provided to an insured depository institution under subsection (e)(3) against any assessment imposed on the institution for any assessment period in an amount equal to the lesser of—

''(I) the amount of the assessment; or

''(II) the amount equal to 3 basis points of the institution's assessment base.

''(v) TRANSPARENCY.—Not more than 30 days after the Corporation establishes and implements a restoration plan under clause (i), the Corporation shall publish in the Federal Register a detailed analysis of the factors considered and the basis for the actions taken with regard to the plan.''.

SEC. 4009. REGULATIONS REQUIRED.

(a) IN GENERAL.—Not later than 270 days after the date of the enactment of this Act, the Board of Directors of the Federal Deposit Insurance Corporation shall prescribe final regulations, after notice and opportunity for comment—

(1) designating the reserve ratio for the Deposit Insurance Fund in accordance with section 7(b)(3) of the Federal Deposit Insurance Act (as amended by section 4005 of this subtitle);

(2) implementing increases in deposit insurance coverage in accordance with the amendments made by section 4003 of this subtitle;

(3) implementing the dividend requirement under section 7(e)(2) of the Federal Deposit Insurance Act (as amended by section 4007 of this subtitle);

(4) implementing the 1-time assessment credit to certain insured depository institutions in accordance with section 7(e)(3) of the Federal Deposit Insurance Act, as amended by section 4007 of this subtitle, including the qualifications and procedures under which the Corporation would apply assessment credits; and

(5) providing for assessments under section 7(b) of the Federal Deposit Insurance Act, as amended by this subtitle.

(b) RULE OF CONSTRUCTION.—No provision of this subtitle or any amendment made by this subtitle shall be construed as affecting the authority of the Corporation to set or collect deposit insurance assessments before the effective date of the final regulations prescribed under subsection (a).

SEC. 4010. STUDIES OF FDIC STRUCTURE AND EXPENSES AND CERTAIN ACTIVITIES AND FURTHER POSSIBLE CHANGES TO DEPOSIT INSURANCE SYSTEM.

(a) STUDY BY COMPTROLLER GENERAL.—

(1) STUDY REQUIRED.—The Comptroller General shall conduct a study of the following issues:

(A) The efficiency and effectiveness of the administration of the prompt corrective action program under section 38 of the Federal Deposit Insurance Act by the Federal banking agencies (as defined in section 3 of such Act), including the degree of effectiveness of such agencies in identifying troubled depository institutions and taking effective action with respect to such institutions, and the degree of accuracy of the risk assessments made by the Corporation.

(B) The appropriateness of the organizational structure of the Federal Deposit Insurance Corporation for the mission of the Corporation taking into account—

(i) the current size and complexity of the business of insured depository institutions (as such term is defined in section 3 of the Federal Deposit Insurance Act);

(ii) the extent to which the organizational structure contributes to or reduces operational inefficiencies that increase operational costs; and

(iii) the effectiveness of internal controls.

(2) REPORT TO THE CONGRESS.—The Comptroller General shall submit a report to the Congress before the end of the 1-year period beginning on the date of the enactment of this Act containing the findings and conclusions of the Comptroller General with respect to the study required under paragraph (1) together with such recommendations for legislative or administrative action as the Comptroller General may determine to be appropriate.

(b) STUDY OF FURTHER POSSIBLE CHANGES TO DEPOSIT INSURANCE SYSTEM.—

(1) STUDY REQUIRED.—The Board of Directors of the Federal Deposit Insurance Corporation and the National Credit Union Administration Board shall each conduct a study of the following:

(A) The feasibility of establishing a voluntary deposit insurance system for deposits in excess of the maximum amount of deposit insurance for any depositor and the potential benefits and the potential adverse consequences that may result from the establishment of any such system.

(B) The feasibility of privatizing all deposit insurance at insured depository institutions and insured credit unions.

(2) REPORT.—Before the end of the 1-year period beginning on the date of the enactment of this Act, the Board of Directors of the Federal Deposit Insurance Corporation

and the National Credit Union Administration Board shall each submit a report to the Congress on the study required under paragraph (1) containing the findings and conclusions of the reporting agency together with such recommendations for legislative or administrative changes as the agency may determine to be appropriate.

(c) STUDY REGARDING APPROPRIATE DEPOSIT BASE IN DESIGNATING RESERVE RATIO.—

(1) STUDY REQUIRED.—The Federal Deposit Insurance Corporation shall conduct a study of the feasibility of using actual domestic deposits rather than estimated insured deposits in calculating the reserve ratio of the Deposit Insurance Fund and designating a reserve ratio for such Fund.

(2) REPORT.—The Federal Deposit Insurance Corporation shall submit a report to the Congress before the end of the 1-year period beginning on the date of the enactment of this Act containing the findings and conclusions of the Corporation with respect to the study required under paragraph (1) together with such recommendations for legislative or administrative action as the Board of Directors of the Corporation may determine to be appropriate.

(d) STUDY OF RESERVE METHODOLOGY AND ACCOUNTING FOR LOSS.—

(1) STUDY REQUIRED.—The Federal Deposit Insurance Corporation shall conduct a study of the reserve methodology and loss accounting used by the Corporation during the period beginning on January 1, 1992, and ending December 31, 2004, with respect to insured depository institutions in a troubled condition (as defined in the regulations prescribed pursuant to section 32(f) of the Federal Deposit Insurance Act). The Corporation shall obtain comments on the design of the study from the Comptroller General.

(2) FACTORS TO BE INCLUDED.—In conducting the study pursuant to paragraph (1), the Federal Deposit Insurance Corporation shall—

(A) consider the overall effectiveness and accuracy of the methodology used by the Corporation for establishing and maintaining reserves and estimating and accounting for losses at insured depository institutions, during the period described in such paragraph;

(B) consider the appropriateness and reliability of information and criteria used by the Corporation in determining—

(i) whether an insured depository institution was in a troubled condition; and

(ii) the amount of any loss anticipated at such institution;

(C) analyze the actual historical loss experience over the period described in paragraph (1) and the causes of the exceptionally high rate of losses experienced by the Corporation in the final 3 years of that period; and

(D) rate the efforts of the Corporation to reduce losses in such 3-year period to minimally acceptable levels and to historical levels.

(3) REPORT REQUIRED.—The Board of Directors of the Federal Deposit Insurance Corporation shall submit a report to the Congress before the end of the 6-month period beginning on the date of the enactment of this Act, containing the findings and conclusions of the Corporation with respect to the study required under paragraph (1), together with such recommendations for legislative or administrative action as the Board of Directors may determine to be appropriate. Before submitting the report to Congress, the Board of Directors shall provide a draft of the report to the Comptroller General for comment.

SEC. 4011. BI-ANNUAL FDIC SURVEY AND REPORT ON INCREASING THE DEPOSIT BASE BY ENCOURAGING USE OF DEPOSITORY INSTITUTIONS BY THE UNBANKED.

The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended by adding at the end the following new section:

"SEC. 49. BI-ANNUAL FDIC SURVEY AND REPORT ON ENCOURAGING USE OF DEPOSITORY INSTITUTIONS BY THE UNBANKED.

''(a) SURVEY REQUIRED.—

''(1) IN GENERAL.—The Corporation shall conduct a bi-annual survey on efforts by insured depository institutions to bring those individuals and families who have rarely, if ever, held a checking account, a savings account or other type of transaction or check cashing account at an insured depository institution (hereafter in this section referred to as the 'unbanked') into the conventional finance system.

''(2) FACTORS AND QUESTIONS TO CONSIDER.—In conducting the survey, the Corporation shall take the following factors and questions into account:

''(A) To what extent do insured depository institutions promote financial education and financial literacy outreach?

''(B) Which financial education efforts appear to be the most effective in bringing 'unbanked' individuals and families into the conventional finance system?

''(C) What efforts are insured institutions making at converting 'unbanked' money order, wire transfer, and international remittance customers into conventional account holders?

''(D) What cultural, language and identification issues as well as transaction costs appear to most prevent 'unbanked' individuals from establishing conventional accounts?

''(E) What is a fair estimate of the size and worth of the 'unbanked' market in the United States?

''(b) REPORTS.—The Chairperson of the Board of Directors shall submit a bi-annual report to the Committee on Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate containing the Corporation's findings and conclusions with respect to the survey conducted pursuant to subsection (a), together with such recommendations for legislative or administrative action as the Chairperson may determine to be appropriate.''.

SEC. 4012. TECHNICAL AND CONFORMING AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT RELATING TO THE MERGER OF THE BIF AND SAIF.

(a) IN GENERAL.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(1) in section 3 (12 U.S.C. 1813)—

(A) by striking subparagraph (B) of subsection (a)(1) and inserting the following new subparagraph:

''(B) includes any former savings association.''; and

(B) by striking paragraph (1) of subsection (y) (as so designated by section 4005(b) of this subtitle) and inserting the following new paragraph:

''(1) DEPOSIT INSURANCE FUND.—The term 'Deposit Insurance Fund' means the Deposit Insurance Fund established under section 11(a)(4).'';

(2) in section 5(b)(5) (12 U.S.C. 1815(b)(5)), by striking ''the Bank Insurance Fund or the Savings Association Insurance Fund,'' and inserting ''the Deposit Insurance Fund,'';

(3) in section 5(c)(4), by striking ''deposit insurance fund'' and inserting ''Deposit Insurance Fund'';

(4) in section 5(d) (12 U.S.C. 1815(d)), by striking paragraphs (2) and (3) (and any funds resulting from the application of such paragraph (2) prior to its repeal shall be deposited into the general fund of the Deposit Insurance Fund);

(5) in section 5(d)(1) (12 U.S.C. 1815(d)(1))—

(A) in subparagraph (A), by striking ''reserve ratios in the Bank Insurance Fund and the Savings Association Insurance Fund as required by section 7'' and inserting ''the reserve ratio of the Deposit Insurance Fund'';

(B) by striking subparagraph (B) and inserting the following:

''(2) FEE CREDITED TO THE DEPOSIT INSURANCE FUND.—The fee paid by the depository institution under paragraph (1) shall be credited to the Deposit Insurance Fund.'';

(C) by striking ''(1) **UNINSURED INSTITUTIONS**.—''; and

(D) by redesignating subparagraphs (A) and (C) as paragraphs (1) and (3), respectively, and moving the left margins 2 ems to the left;

(6) in section 5(e) (12 U.S.C. 1815(e))—

(A) in paragraph (5)(A), by striking ''Bank Insurance Fund or the Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(B) by striking paragraph (6); and

(C) by redesignating paragraphs (7), (8), and (9) as paragraphs (6), (7), and (8), respectively;

(7) in section 6(5) (12 U.S.C. 1816(5)), by striking ''Bank Insurance Fund or the Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(8) in section 7(b) (12 U.S.C. 1817(b))—

(A) in paragraph (1)(C), by striking ''deposit insurance fund'' each place that term appears and inserting ''Deposit Insurance Fund'';

(B) in paragraph (1)(D), by striking ''each deposit insurance fund'' and inserting ''the Deposit Insurance Fund''; and

(C) in paragraph (5) (as so redesignated by section 4004(e)(4) of this subtitle)—

(i) by striking ''any such assessment'' and inserting ''any such assessment is necessary'';

(ii) by striking subparagraph (B);

(iii) in subparagraph (A)—

(I) by striking ''(A) is necessary—'';

(II) by striking ''Bank Insurance Fund members'' and inserting ''insured depository institutions''; and

(III) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and moving the margins 2 ems to the left; and

(iv) in subparagraph (C) (as so redesignated)—

(I) by inserting ''that'' before ''the Corporation''; and

(II) by striking ''; and'' and inserting a period;

(9) in section 7(j)(7)(F) (12 U.S.C. 1817(j)(7)(F)), by striking ''Bank Insurance Fund or the Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(10) in section 8(t)(2)(C) (12 U.S.C. 1818(t)(2)(C)), by striking ''deposit insurance fund'' and inserting ''Deposit Insurance Fund'';

(11) in section 11 (12 U.S.C. 1821)—

(A) by striking ''deposit insurance fund'' each place that term appears and inserting ''Deposit Insurance Fund'';

(B) by striking paragraph (4) of subsection (a) and inserting the following new paragraph:

''(4) DEPOSIT INSURANCE FUND.—

''(A) ESTABLISHMENT.—There is established the Deposit Insurance Fund, which the Corporation shall—

''(i) maintain and administer;

''(ii) use to carry out its insurance purposes, in the manner provided by this subsection; and

''(iii) invest in accordance with section 13(a).

''(B) USES.—The Deposit Insurance Fund shall be available to the Corporation for use with respect to insured depository institutions the deposits of which are insured by the Deposit Insurance Fund.

''(C) LIMITATION ON USE.—Notwithstanding any provision of law other than section 13(c)(4)(G), the Deposit Insurance Fund shall not be used in any manner to benefit any shareholder or affiliate (other than an insured depository institution that receives assistance in accordance with the provisions of this Act) of—

''(i) any insured depository institution for which the Corporation has been appointed conservator or receiver, in connection with any type of resolution by the Corporation;

''(ii) any other insured depository institution in default or in danger of default, in connection with any type of resolution by the Corporation; or

''(iii) any insured depository institution, in connection with the provision of assistance under this section or section 13 with respect to such institution, except that this clause shall not prohibit any assistance to any insured depository institution that is not in default, or that is not in danger of default, that is acquiring (as defined in section 13(f)(8)(B)) another insured depository institution.

''(D) DEPOSITS.—All amounts assessed against insured depository institutions by the Corporation shall be deposited into the Deposit Insurance Fund.'';

(C) by striking paragraphs (5), (6), and (7) of subsection (a); and

(D) by redesignating paragraph (8) of subsection (a) as paragraph (5);

(12) in section 11(f)(1) (12 U.S.C. 1821(f)(1)), by striking '', except that—'' and all that follows through the end of the paragraph and inserting a period;

(13) in section 11(i)(3) (12 U.S.C. 1821(i)(3))—

(A) by striking subparagraph (B);

(B) by redesignating subparagraph (C) as subparagraph (B); and

(C) in subparagraph (B) (as so redesignated), by striking ''subparagraphs (A) and (B)'' and inserting ''subparagraph (A)'';

(14) in section 11(p)(2)(B) (12 U.S.C. 1821(p)(2)(B)), by striking ''institution, any'' and inserting ''institution, the'';

(15) in section 11A(a) (12 U.S.C. 1821a(a))—

(A) in paragraph (2), by striking ''**liabilities**.—'' and all that follows through ''Except'' and inserting ''**liabilities**.—Except'';

(B) by striking paragraph (2)(B); and

(C) in paragraph (3), by striking ''the Bank Insurance Fund, the Savings Association Insurance Fund,'' and inserting ''the Deposit Insurance Fund'';

(16) in section 11A(b) (12 U.S.C. 1821a(b)), by striking paragraph (4);

(17) in section 11A(f) (12 U.S.C. 1821a(f)), by striking ''Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(18) in section 12(f)(4)(E)(iv) (12 U.S.C. 1822(f)(4)(E)(iv)), by striking ''Federal deposit insurance funds'' and inserting ''the Deposit Insurance Fund (or any predecessor deposit insurance fund)'';

(19) in section 13 (12 U.S.C. 1823)—

(A) by striking ''deposit insurance fund'' each place that term appears and inserting ''Deposit Insurance Fund'';

(B) in subsection (a)(1), by striking ''Bank Insurance Fund, the Savings Association Insurance Fund,'' and inserting ''Deposit Insurance Fund'';

(C) in subsection (c)(4)(E)—

(i) in the subparagraph heading, by striking ''funds'' and inserting ''fund''; and

(ii) in clause (i), by striking ''any insurance fund'' and inserting ''the Deposit Insurance Fund'';

(D) in subsection (c)(4)(G)(ii)—

(i) by striking ''appropriate insurance fund'' and inserting ''Deposit Insurance Fund'';

(ii) by striking ''the members of the insurance fund (of which such institution is a member)'' and inserting ''insured depository institutions'';

(iii) by striking ''each member's'' and inserting ''each insured depository institution's''; and

(iv) by striking ''the member's'' each place that term appears and inserting ''the institution's'';

(E) in subsection (c), by striking paragraph (11);

(F) in subsection (h), by striking ''Bank Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(G) in subsection (k)(4)(B)(i), by striking ''Savings Association Insurance Fund member'' and inserting ''savings association''; and

(H) in subsection (k)(5)(A), by striking ''Savings Association Insurance Fund members'' and inserting ''savings associations'';

(20) in section 14(a) (12 U.S.C. 1824(a)), in the 5th sentence—

(A) by striking ''Bank Insurance Fund or the Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund''; and

(B) by striking ''each such fund'' and inserting ''the Deposit Insurance Fund'';

(21) in section 14(b) (12 U.S.C. 1824(b)), by striking ''Bank Insurance Fund or Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(22) in section 14(c) (12 U.S.C. 1824(c)), by striking paragraph (3);

(23) in section 14(d) (12 U.S.C. 1824(d))—

(A) by striking ''Bank Insurance Fund member'' each place that term appears and inserting ''insured depository institution'';

(B) by striking ''Bank Insurance Fund members'' each place that term appears and inserting ''insured depository institutions'';

(C) by striking ''Bank Insurance Fund'' each place that term appears (other than in connection with a reference to a term amended by subparagraph (A) or (B) of this paragraph) and inserting ''Deposit Insurance Fund'';

(D) by striking the subsection heading and inserting the following:

''(d) BORROWING FOR THE DEPOSIT INSURANCE FUND FROM INSURED DEPOSITORY INSTITUTIONS.—'';

(E) in paragraph (3), in the paragraph heading, by striking ''BIF'' and inserting ''THE DEPOSIT INSURANCE FUND''; and

(F) in paragraph (5), in the paragraph heading, by striking ''BIF MEMBERS'' and inserting ''INSURED DEPOSITORY INSTITUTIONS'';

(24) in section 14 (12 U.S.C. 1824), by adding at the end the following new subsection:

''(e) BORROWING FOR THE DEPOSIT INSURANCE FUND FROM FEDERAL HOME LOAN BANKS.—

''(1) IN GENERAL.—The Corporation may borrow from the Federal home loan banks, with the concurrence of the Federal Housing Finance Board, such funds as the Corporation considers necessary for the use of the Deposit Insurance Fund.

''(2) TERMS AND CONDITIONS.—Any loan from any Federal home loan bank under paragraph (1) to the Deposit Insurance Fund shall—

''(A) bear a rate of interest of not less than the current marginal cost of funds to that bank, taking into account the maturities involved;

''(B) be adequately secured, as determined by the Federal Housing Finance Board;

''(C) be a direct liability of the Deposit Insurance Fund; and

''(D) be subject to the limitations of section 15(c).'';

(25) in section 15(c)(5) (12 U.S.C. 1825(c)(5))—

(A) by striking ''the Bank Insurance Fund or Savings Association Insurance Fund, respectively'' each place that term appears and inserting ''the Deposit Insurance Fund''; and

(B) in subparagraph (B), by striking ''the Bank Insurance Fund or the Savings Association Insurance Fund, respectively'' and inserting ''the Deposit Insurance Fund'';

(26) in section 17(a) (12 U.S.C. 1827(a))—

(A) in the subsection heading, by striking ''BIF, SAIF,'' and inserting ''THE DEPOSIT INSURANCE FUND''; and

(B) in paragraph (1)—

(i) by striking ''the Bank Insurance Fund, the Savings Association Insurance Fund,'' each place that term appears and inserting ''the Deposit Insurance Fund''; and

(ii) in subparagraph (D), by striking ''each insurance fund'' and inserting ''the Deposit Insurance Fund'';

(27) in section 17(d) (12 U.S.C. 1827(d)), by striking '', the Bank Insurance Fund, the Savings Association Insurance Fund,'' each place that term appears and inserting ''the Deposit Insurance Fund'';

(28) in section 18(m)(3) (12 U.S.C. 1828(m)(3))—

(A) by striking ''Savings Association Insurance Fund'' in the 1st sentence of subparagraph (A) and inserting ''Deposit Insurance Fund'';

(B) by striking ''Savings Association Insurance Fund member'' in the last sentence of subparagraph (A) and inserting ''savings association''; and

(C) by striking ''Savings Association Insurance Fund or the Bank Insurance Fund'' in subparagraph (C) and inserting ''Deposit Insurance Fund'';

(29) in section 18(o) (12 U.S.C. 1828(o)), by striking ''deposit insurance funds'' and ''deposit insurance fund'' each place those terms appear and inserting ''Deposit Insurance Fund'';

(30) in section 18(p) (12 U.S.C. 1828(p)), by striking ''deposit insurance funds'' and inserting ''Deposit Insurance Fund'';

(31) in section 24 (12 U.S.C. 1831a)—

(A) in subsections (a)(1) and (d)(1)(A), by striking ''appropriate deposit insurance fund'' each place that term appears and inserting ''Deposit Insurance Fund'';

(B) in subsection (e)(2)(A), by striking ''risk to'' and all that follows through the period and inserting ''risk to the Deposit Insurance Fund.''; and

(C) in subsections (e)(2)(B)(ii) and (f)(6)(B), by striking ''the insurance fund of which such bank is a member'' each place that term appears and inserting ''the Deposit Insurance Fund'';

(32) in section 28 (12 U.S.C. 1831e), by striking ''affected deposit insurance fund'' each place that term appears and inserting ''Deposit Insurance Fund'';

(33) by striking section 31 (12 U.S.C. 1831h);

(34) in section 36(i)(3) (12 U.S.C. 1831m(i)(3)), by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund'';

(35) in section 37(a)(1)(C) (12 U.S.C. 1831n(a)(1)(C)), by striking ''insurance funds'' and inserting ''Deposit Insurance Fund'';

(36) in section 38 (12 U.S.C. 1831o), by striking ''the deposit insurance fund'' each place that term appears and inserting ''the Deposit Insurance Fund'';

(37) in section 38(a) (12 U.S.C. 1831o(a)), in the subsection heading, by striking ''FUNDS'' and inserting ''FUND'';

(38) in section 38(k) (12 U.S.C. 1831o(k))—

(A) in paragraph (1), by striking ''a deposit insurance fund'' and inserting ''the Deposit Insurance Fund'';

(B) in paragraph (2), by striking ''A deposit insurance fund'' and inserting ''The Deposit Insurance Fund''; and

(C) in paragraphs (2)(A) and (3)(B), by striking ''the deposit insurance fund's outlays'' each place that term appears and inserting ''the outlays of the Deposit Insurance Fund''; and

(39) in section 38(o) (12 U.S.C. 1831o(o))—

(A) by striking ''associations.—'' and all that follows through ''Subsections (e)(2)'' and inserting ''associations.—Subsections (e)(2)'';

(B) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively, and moving the margins 2 ems to the left; and

(C) in paragraph (1) (as so redesignated), by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively, and moving the margins 2 ems to the left.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the first day of the first calendar quarter that begins after the end of the 90-day period beginning on the date of the enactment of this Act.

SEC. 4013. OTHER TECHNICAL AND CONFORMING AMENDMENTS RELATING TO THE MERGER OF THE BIF AND SAIF.

(a) SECTION 5136 OF THE REVISED STATUTES.—The paragraph designated the ''Eleventh'' of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) is amended in the 5th sentence, by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund''.

(b) INVESTMENTS PROMOTING PUBLIC WELFARE; LIMITATIONS ON AGGREGATE INVESTMENTS.—The 23d undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 338a) is amended in the 4th sentence, by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund''.

(c) ADVANCES TO CRITICALLY UNDERCAPITALIZED DEPOSITORY INSTITUTIONS.—Section 10B(b)(3)(A)(ii) of the Federal Reserve Act (12 U.S.C. 347b(b)(3)(A)(ii)) is amended by striking ''any deposit insurance fund in'' and inserting ''the Deposit Insurance Fund of''.

(d) AMENDMENTS TO THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985.—Section 255(g)(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 905(g)(1)(A)) is amended—

(1) by striking ''Bank Insurance Fund'' and inserting ''Deposit Insurance Fund''; and

(2) by striking ''Federal Deposit Insurance Corporation, Savings Association Insurance Fund (51–4066–0–3–373);''.

(e) AMENDMENTS TO THE FEDERAL HOME LOAN BANK ACT.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended—

(1) in section 11(k) (12 U.S.C. 1431(k))—

(A) in the subsection heading, by striking ''SAIF'' and inserting ''THE DEPOSIT INSURANCE FUND''; and

(B) by striking ''Savings Association Insurance Fund'' each place such term appears and inserting ''Deposit Insurance Fund'';

(2) in section 21 (12 U.S.C. 1441)—

(A) in subsection (f)(2), by striking '', except that'' and all that follows through the end of the paragraph and inserting a period; and

(B) in subsection (k), by striking paragraph (4);

(3) in section 21A(b)(4)(B) (12 U.S.C. 1441a(b)(4)(B)), by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund'';

(4) in section 21A(b)(6)(B) (12 U.S.C. 1441a(b)(6)(B))—

(A) in the subparagraph heading, by striking ''SAIF-INSURED BANKS'' and inserting ''CHARTER CONVERSIONS''; and

(B) by striking ''Savings Association Insurance Fund member'' and inserting ''savings association'';

(5) in section 21A(b)(10)(A)(iv)(II) (12 U.S.C. 1441a(b)(10)(A)(iv)(II)), by striking ''Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(6) in section 21A(n)(6)(E)(iv) (12 U.S.C. 1441(n)(6)(E)(iv)), by striking ''Federal deposit insurance funds'' and inserting ''the Deposit Insurance Fund'';

(7) in section 21B(e) (12 U.S.C. 1441b(e))—

(A) in paragraph (5), by inserting ''as of the date of funding'' after ''Savings Association Insurance Fund members'' each place that term appears; and

(B) by striking paragraphs (7) and (8); and

(8) in section 21B(k) (12 U.S.C. 1441b(k))—

(A) by inserting before the colon '', the following definitions shall apply'';

(B) by striking paragraph (8); and

(C) by redesignating paragraphs (9) and (10) as paragraphs (8) and (9), respectively.

(f) AMENDMENTS TO THE HOME OWNERS' LOAN ACT.—The Home Owners' Loan Act (12 U.S.C. 1461 et seq.) is amended—

(1) in section 5 (12 U.S.C. 1464)—

(A) in subsection (c)(5)(A), by striking ''that is a member of the Bank Insurance Fund'';

(B) in subsection (c)(6), by striking ''As used in this subsection—'' and inserting ''For purposes of this subsection, the following definitions shall apply:'';

(C) in subsection (o)(1), by striking ''that is a Bank Insurance Fund member'';

(D) in subsection (o)(2)(A), by striking ''a Bank Insurance Fund member until such time as it changes its status to a Savings Association Insurance Fund member'' and inserting ''insured by the Deposit Insurance Fund'';

(E) in subsection (t)(5)(D)(iii)(II), by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund'';

(F) in subsection (t)(7)(C)(i)(I), by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund''; and

(G) in subsection (v)(2)(A)(i), by striking ''the Savings Association Insurance Fund'' and inserting ''or the Deposit Insurance Fund''; and

(2) in section 10 (12 U.S.C. 1467a)—

(A) in subsection (c)(6)(D), by striking ''this title'' and inserting ''this Act'';

(B) in subsection (e)(1)(B), by striking ''Savings Association Insurance Fund or Bank Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(C) in subsection (e)(2), by striking ''Savings Association Insurance Fund or the Bank Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(D) in subsection (e)(4)(B), by striking ''subsection (1)'' and inserting ''subsection (l)'';

(E) in subsection (g)(3)(A), by striking ''(5) of this section'' and inserting ''(5) of this subsection'';

(F) in subsection (i), by redesignating paragraph (5) as paragraph (4);

(G) in subsection (m)(3), by striking subparagraph (E) and by redesignating subparagraphs (F), (G), and (H) as subparagraphs (E), (F), and (G), respectively;

(H) in subsection (m)(7)(A), by striking ''during period'' and inserting ''during the period''; and

(I) in subsection (o)(3)(D), by striking ''sections 5(s) and (t) of this Act'' and inserting ''subsections (s) and (t) of section 5''.

(g) AMENDMENTS TO THE NATIONAL HOUSING ACT.—The National Housing Act (12 U.S.C. 1701 et seq.) is amended—

(1) in section 317(b)(1)(B) (12 U.S.C. 1723i(b)(1)(B)), by striking ''Bank Insurance Fund for banks or through the Savings Association Insurance Fund for savings associations'' and inserting ''Deposit Insurance Fund''; and

(2) in section 536(b)(1)(B)(ii) (12 U.S.C. 1735f–14(b)(1)(B)(ii)), by striking ''Bank Insurance Fund for banks and through the Savings Association Insurance Fund for savings associations'' and inserting ''Deposit Insurance Fund''.

(h) AMENDMENTS TO THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989.—The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1811 note) is amended—

(1) in section 951(b)(3)(B) (12 U.S.C. 1833a(b)(3)(B)), by inserting ''and after the merger of such funds, the Deposit Insurance Fund,'' after ''the Savings Association Insurance Fund,''; and

(2) in section 1112(c)(1)(B) (12 U.S.C. 3341(c)(1)(B)), by striking ''Bank Insurance Fund, the Savings Association Insurance Fund,'' and inserting ''Deposit Insurance Fund''.

(i) AMENDMENT TO THE BANK HOLDING COMPANY ACT OF 1956.—The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended—

(1) in section 2(j)(2) (12 U.S.C. 1841(j)(2)), by striking ''Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund''; and

(2) in section 3(d)(1)(D)(iii) (12 U.S.C. 1842(d)(1)(D)(iii)), by striking ''appropriate deposit insurance fund'' and inserting ''Deposit Insurance Fund''.

(j) AMENDMENTS TO THE GRAMM-LEACH-BLILEY ACT.—Section 114 of the Gramm-Leach-Bliley Act (12 U.S.C. 1828a) is amended by striking ''any Federal deposit insurance fund'' in subsection (a)(1)(B), paragraphs (2)(B) and (4)(B) of subsection (b), and subsection (c)(1)(B), each place that term appears and inserting ''the Deposit Insurance Fund''.

(k) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the first day of the first calendar quarter that begins after the end of the 90-day period beginning on the date of the enactment of this Act.

Subtitle B—FHA Asset Disposition

SEC. 4101. SHORT TITLE.

This subtitle may be cited as the ''FHA Asset Disposition Act of 2005''.

SEC. 4102. DEFINITIONS.

For purposes of this subtitle, the following definitions shall apply:

(1) The term ''affordability requirements'' means any requirements or restrictions imposed by the Secretary, at the time of sale, on a multifamily real property or a multifamily loan, such as use restrictions, rent restrictions, and rehabilitation requirements.

(2) The term ''discount sale'' means the sale of a multifamily real property in a transaction, such as a negotiated sale, in which the sale price is lower than the property market value and is set outside of a competitive bidding process that has no affordability requirements.

(3) The term ''discount loan sale'' means the sale of a multifamily loan in a transaction, such as a negotiated sale, in which the sale price is lower than the loan market value and is set outside of a competitive bidding process that has no affordability requirements.

(4) The term ''loan market value'' means the value of a multifamily loan, without taking into account any affordability requirements.

(5) The term ''multifamily real property'' means any rental or cooperative housing

project of 5 or more units owned by the Secretary that prior to acquisition by the Secretary was security for a loan or loans insured under title II of the National Housing Act.

(6) The term ''multifamily loan'' means a loan held by the Secretary and secured by a multifamily rental or cooperative housing project of 5 or more units that was formerly insured under title II of the National Housing Act.

(7) The term ''property market value'' means the value of a multifamily real property for its current use, without taking into account any affordability requirements.

(8) The term ''Secretary'' means the Secretary of Housing and Urban Development.

SEC. 4103. APPROPRIATED FUNDS REQUIREMENT FOR BELOW MARKET SALES.

(a) DISCOUNT SALES.—Notwithstanding any other provision of law, except for affordability requirements for the elderly and disabled required by statute, disposition by the Secretary of a multifamily real property during fiscal years 2006 through 2010 through a discount sale under sections 207(l) or 246 of the National Housing Act (12 U.S.C. 1713(l), 1715z-11), section 203 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z-11), or section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z-11a), shall be subject to the availability of appropriations to the extent that the property value exceeds the sale proceeds. If the multifamily real property is sold, during such fiscal years, for an amount equal to or greater than the property market value then the transaction is not subject to the availability of appropriations.

(b) DISCOUNT LOAN SALES.—Notwithstanding any other provision of law and in accordance with the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.), a discount loan sale during fiscal years 2006 through 2010 under section 207(k) of the National Housing Act (12 U.S.C. 1713(k)), section 203(k) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z-11(k)), or section 204(a) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z-11a(a)), shall be subject to the availability of appropriations to the extent that the loan value exceeds the sale proceeds. If the multifamily loan is sold, during such fiscal years, for an amount equal to or greater than the loan market value then the transaction is not subject to the availability of appropriations.

(c) APPLICABILITY.—This section shall not apply to any transaction that formally commences within one year prior to the enactment of this section.

SEC. 4104. UP-FRONT GRANTS.

(a) 1997 ACT.—Section 204(a) of the Departments of Veterans Affairs and Housing And Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z-11a(a))) is amended by adding at the end the following new sentence: ''A grant provided under this subsection during fiscal years 2006 through 2010 shall be available only to the extent that appropriations are made in advance for such purposes and shall not be derived from the General Insurance Fund.''.

(b) 1978 ACT.—Section 203(f)(4) of the Housing and Community Development Amendments of 1978 (12 USC 1701z-11(f)(4)) is amended by adding at the end the following new sentence: ''This paragraph shall be effective during fiscal years 2006 through 2010 only to the extent that such budget authority is made available for use under this paragraph in advance in appropriation Acts.''.

(c) APPLICABILITY.—The amendments made by this section shall not apply to any transaction that formally commences within one year prior to the enactment of this section.

TITLE V—COMMITTEE ON JUDICIARY

SEC. 5001. TABLE OF CONTENTS.

TITLE V—COMMITTEE ON JUDICIARY

Sec. 5001. Table of contents.

Subtitle A—Visa Fees

Sec. 5101. Fees with respect to immigration services for intracompany transferees.

Subtitle B—Circuit and District Judgeships

Sec. 5201. Short title.
Sec. 5202. Circuit judges for the circuit courts of appeals.
Sec. 5203. District judges for the district courts.
Sec. 5204. Establishment of Article III court in the Virgin Islands.
Sec. 5205. Effective date.

Subtitle C—Bankruptcy Judgeships

Sec. 5301. Short title.
Sec. 5302. Authorization for additional bankruptcy judgeships.
Sec. 5303. Temporary bankruptcy judgeships.
Sec. 5304. Conversion of existing temporary bankruptcy judgeships.
Sec. 5305. General provisions.
Sec. 5306. Effective date.

Subtitle D—Ninth Circuit Reorganization

Sec. 5401. Short title.
Sec. 5402. Definitions.
Sec. 5403. Number and composition of circuits.
Sec. 5404. Number of circuit judges.
Sec. 5405. Places of circuit court.
Sec. 5406. Assignment of circuit judges.
Sec. 5407. Election of assignment by senior judges.
Sec. 5408. Seniority of judges.
Sec. 5409. Application to cases.
Sec. 5410. Temporary assignment of circuit judges among circuits.
Sec. 5411. Temporary assignment of district judges among circuits.
Sec. 5412. Administration.
Sec. 5413. Effective date.

Subtitle E—Authorization of Appropriations

Sec. 5501. Authorization of appropriations.

Subtitle A—Visa Fees

SEC. 5101. FEES WITH RESPECT TO IMMIGRATION SERVICES FOR INTRACOMPANY TRANSFEREES.

Section 214(c) of the Immigration and Nationality Act (8 U.S.C. 1184(c)) is amended by adding at the end the following:

''(15)(A) The Secretary of State shall impose a fee on an employer when an alien files an application abroad for a visa authorizing initial admission to the United States as a nonimmigrant described in section 101(a)(15)(L) in order to be employed by the employer, if the alien is covered under a blanket petition described in paragraph (2)(A).

''(B) The Secretary of Homeland Security shall impose a fee on an employer filing a petition under paragraph (1) initially to grant an alien nonimmigrant status described in section 101(a)(15)(L) or to extend for the first time the stay of an alien having such status.

''(C) The amount of the fee imposed under subparagraph (A) or (B) shall be $1,500.

''(D) The fees imposed under subparagraphs (A) and (B) shall only apply to principal aliens and not to spouses or children who are accompanying or following to join such principal aliens.

''(E) Fees collected under this paragraph shall be deposited as offsetting receipts in the Treasury, and shall not be available for expenditure until appropriated.

''(F)(i) An employer may not require an alien who is the beneficiary of the visa or petition for which a fee is imposed under this paragraph to reimburse, or otherwise compensate, the employer for part or all of the cost of such fee.

''(ii) Section 274A(g)(2) shall apply to a violation of clause (i) in the same manner as it applies to a violation of section 274A(g)(1).''.

Subtitle B—Circuit and District Judgeships

SEC. 5201. SHORT TITLE.

This subtitle may be cited as the ''Federal Judgeship Act of 2005''.

SEC. 5202. CIRCUIT JUDGES FOR THE CIRCUIT COURTS OF APPEALS.

(a) IN GENERAL.—The President shall appoint, by and with the advice and consent of the Senate—

(1) 1 additional circuit judge for the first circuit court of appeals;

(2) 2 additional circuit judges for the second circuit court of appeals;

(3) 1 additional circuit judge for the sixth circuit court of appeals; and

(4) 5 additional circuit judges for the ninth circuit court of appeals, whose official duty station shall be in California.

(b) TEMPORARY JUDGESHIPS.—

(1) IN GENERAL.—The President shall appoint, by and with the advice and consent of the Senate—

(A) 1 additional circuit judge for the eighth circuit court of appeals; and

(B) 2 additional circuit judges for the ninth circuit court of appeals, whose official duty station shall be in California.

(2) VACANCIES.—

(A) EIGHTH CIRCUIT.—The first vacancy in the office of circuit judge in the eighth circuit court of appeals, occurring 10 years or more after the confirmation date of the judge named to fill the circuit judgeship created in that circuit by paragraph (1)(A) shall not be filled.

(B) NINTH CIRCUIT.—The first 2 vacancies in the office of circuit judge in the ninth circuit court of appeals, occurring 10 years or more after judges are first confirmed to fill both temporary circuit judgeships created by paragraph (1)(B) shall not be filled.

(c) TABLE OF JUDGESHIPS.—In order that the table contained in section 44 of title 28, United States Code, will, with respect to each judicial circuit, reflect the changes in the total number of permanent circuit judgeships authorized under subsection (a) of this section, such table is amended to read as follows:

''Circuits	Number of Judges
District of Columbia	12
First	7
Second	15
Third	14
Fourth	15
Fifth	17
Sixth	17
Seventh	11
Eighth	11
Ninth	33
Tenth	12
Eleventh	12
Federal	12.''.

SEC. 5203. DISTRICT JUDGES FOR THE DISTRICT COURTS.

(a) IN GENERAL.—The President shall appoint, by and with the advice and consent of the Senate—

(1) 1 additional district judge for the northern district of Alabama;

(2) 4 additional district judges for the district of Arizona;

(3) 3 additional district judges for the northern district of California;

(4) 4 additional district judges for the eastern district of California;

(5) 4 additional district judges for the central district of California;

(6) 1 additional district judge for the southern district of California;

(7) 1 additional district judge for the district of Colorado;

(8) 4 additional district judges for the middle district of Florida;

(9) 3 additional district judges for the southern district of Florida;

(10) 1 additional district judge for the district of Idaho;

(11) 1 additional district judge for the northern district of Illinois;

(12) 1 additional district judge for the southern district of Indiana;

(13) 1 additional district judge for the western district of Missouri;

(14) 1 additional district judge for the district of Nebraska;

(15) 1 additional district judge for the district of Nevada;

(16) 1 additional district judge for the district of New Mexico;

(17) 3 additional district judges for the eastern district of New York;

(18) 1 additional district judge for the western district of New York;

(19) 1 additional district judge for the district of Oregon;

(20) 1 additional district judge for the district of South Carolina;

(21) 3 additional district judges for the southern district of Texas;

(22) 2 additional district judges for the eastern district of Virginia; and

(23) 1 additional district judge for the western district of Washington.

(b) TEMPORARY JUDGESHIPS.—

(1) IN GENERAL.—The President shall appoint, by and with the advice and consent of the Senate—

(A) 1 additional district judge for the middle district of Alabama;

(B) 1 additional district judge for the district of Arizona;

(C) 1 additional district judge for the northern district of California;

(D) 1 additional district judge for the district of Colorado;

(E) 1 additional district judge for the middle district of Florida;

(F) 1 additional district judge for the northern district of Iowa;

(G) 1 additional district judge for the district of Minnesota;

(H) 1 additional district judge for the district of New Jersey;

(I) 1 additional district judge for the district of New Mexico;

(J) 1 additional district judge for the southern district of Ohio;

(K) 1 additional district judge for the district of Oregon; and

(L) 1 additional district judge for the district of Utah.

(2) VACANCIES NOT FILLED.—The first vacancy in the office of district judge in each of the judicial districts named in paragraph (1) occurring 10 years or more after the confirmation date of the judge named to fill the district judgeship created in that district by paragraph (1) shall not be filled.

(c) EXISTING JUDGESHIPS.—

(1) PERMANENT JUDGESHIPS.—The existing judgeships for the district of Hawaii, the district of Kansas, and the eastern district of Missouri authorized by section 203(c) of the Judicial Improvements Act of 1990 (Public Law 101–650; 28 U.S.C. 133 note) shall, as of the effective date of this Act, be authorized under section 133 of title 28, United States Code, and the incumbents in those offices shall hold the office under section 133 of title 28, United States Code, as amended by this Act.

(2) EXTENSION OF TEMPORARY JUDGESHIP.—Section 203(c) of the Judicial Improvements Act of 1990 (Public Law 101–650; 28 U.S.C. 133 note) is amended in the fifth sentence (relating to the northern district of Ohio) by striking ''15 years'' and inserting ''20 years''.

(d) TABLE OF JUDGESHIPS.—In order that the table contained in section 133(a) of title 28, United States Code, will, with respect to each judicial district, reflect the changes in the total number of permanent district judgeships authorized under subsections (a) and (c) of this section, such table is amended to read as follows:

''Districts	**Judges**
''Alabama:	
''Northern	8
''Middle	3
''Southern	3
''Alaska	3
''Arizona	16
''Arkansas:	
''Eastern	5
''Western	3
''California:	
''Northern	17
''Eastern	10
''Central	31
''Southern	14
''Colorado	8
''Connecticut	8
''Delaware	4
''District of Columbia	15
''Florida:	
''Northern	4
''Middle	19
''Southern	20
''Georgia:	
''Northern	11
''Middle	4
''Southern	3
''Hawaii	4
''Idaho	3
''Illinois:	
''Northern	23
''Central	4
''Southern	4
''Indiana:	
''Northern	5
''Southern	6
''Iowa:	
''Northern	2
''Southern	3
''Kansas	6
''Kentucky:	
''Eastern	5
''Western	4
''Eastern and Western	1
''Louisiana:	
''Eastern	12
''Middle	3
''Western	7
''Maine	3
''Maryland	10
''Massachusetts	13
''Michigan:	
''Eastern	15
''Western	4
''Minnesota	7
''Mississippi:	
''Northern	3
''Southern	6
''Missouri:	
''Eastern	7
''Western	6
''Eastern and Western	2
''Montana	3
''Nebraska	4
''Nevada	8
''New Hampshire	3
''New Jersey	17
''New Mexico	7
''New York:	
''Northern	5
''Southern	28
''Eastern	18
''Western	5
''North Carolina:	
''Eastern	4
''Middle	4
''Western	4
''North Dakota	2
''Ohio:	
''Northern	11
''Southern	8
''Oklahoma:	
''Northern	3
''Eastern	1
''Western	6
''Northern, Eastern, and Western.	1
''Oregon	7
''Pennsylvania:	
''Eastern	22
''Middle	6
''Western	10
''Puerto Rico	7
''Rhode Island	3
''South Carolina	11
''South Dakota	3
''Tennessee:	
''Eastern	5
''Middle	4
''Western	5
''Texas:	
''Northern	12
''Southern	22
''Eastern	7
''Western	13
''Utah	5
''Vermont	2
''Virginia:	
''Eastern	13
''Western	4
''Washington:	
''Eastern	4
''Western	8
''West Virginia:	
''Northern	3
''Southern	5
''Wisconsin:	
''Eastern	5
''Western	2
''Wyoming	3.''.

SEC. 5204. ESTABLISHMENT OF ARTICLE III COURT IN THE VIRGIN ISLANDS.

(a) ESTABLISHMENT OF JUDICIAL DISTRICT.—

(1) VIRGIN ISLANDS.—Chapter 5 of title 28, United States Code, is amended by inserting after section 126 the following new section:

''§ 126A. Virgin Islands

''The Virgin Islands constitutes 1 judicial district comprising 2 divisions.

''(1) The Saint Croix Division comprises the Island of Saint Croix and adjacent islands and cays.

''Court for the Saint Croix Division shall be held at Christiansted.

''(2) The Saint Thomas and Saint John Division comprises the Islands of Saint Thomas and Saint John and adjacent islands and cays.

''Court for the Saint Thomas and Saint John Division shall be held at Charlotte-Amalie.''.

(2) TECHNICAL AND CONFORMING AMENDMENT.—The table of contents for chapter 5 of title 28, United States Code, is amended by inserting after the item relating to section 126 the following:

''126A. Virgin Islands.''.

(b) NUMBER OF JUDGES.—The table contained in section 133(a) of title 28, United States Code, is amended by inserting after the item relating to Vermont the following:

''Virgin Islands ..... 2''.

(c) BANKRUPTCY JUDGES.—The table contained in section 152(a)(2) of title 28, United States Code, is amended by inserting after the item relating to Vermont the following:

''Virgin Islands ..... 0''.

(d) JUDICIAL CONFERENCES OF CIRCUITS.—Section 333 of title 28, United States Code, is amended in the third sentence of the first undesignated paragraph—

(1) by striking '', the District Court of the Virgin Islands,''; and

(2) by striking ''to the conferences of their respective circuits'' and inserting ''to the conference of the ninth circuit''.

(e) JUDGES IN TERRITORIES AND POSSESSIONS.—Section 373 of title 28, United States Code, is amended—

(1) in subsection (a), by striking '', the District Court of the Northern Mariana Islands, or the District Court of the Virgin Islands'' and inserting ''or the District Court of the Northern Mariana Islands''; and

(2) in subsection (e), by striking '', the District Court of the Northern Mariana Islands, or the District Court of the Virgin Islands'' and inserting ''or the District Court of the Northern Mariana Islands''.

(f) ANNUITIES FOR SURVIVORS OF CERTAIN JUDICIAL OFFICIALS OF THE UNITED STATES.—Section 376(a) of title 28, United States Code, is amended—

(1) in paragraph (1)(B), by striking '', the District Court of the Northern Mariana Islands, or the District Court of the Virgin Islands'' and inserting ''or the District Court of the Northern Mariana Islands''; and

(2) in paragraph (2)(B), by striking '', the District Court of the Northern Mariana Islands, or the District Court of the Virgin Islands'' and inserting ''or the District Court of the Northern Mariana Islands''.

(g) AUTHORITY OF ATTORNEY GENERAL.—Section 526(a)(2) of title 28, United States Code, is amended by striking ''and of the district court of the Virgin Islands''.

(h) COURTS DEFINED.—Section 610 of title 28, United States Code, is amended—

(1) by striking ''the United States District Court for the District of the Canal Zone,''; and

(2) by striking ''the District Court of the Virgin Islands,''.

(i) UNITED STATES MAGISTRATE JUDGES.—Section 631(a) of title 28, United States Code, is amended—

(1) in the first sentence, by striking ''the Virgin Islands, Guam,'' and inserting ''Guam''; and

(2) in the second sentence, by striking ''the Virgin Islands, Guam,'' and inserting ''Guam''.

(j) COURT REPORTERS.—Section 753(a) of title 28, United States Code, is amended by striking '', the United States District Court for the District of the Canal Zone, the District Court of Guam, and the District Court of the Virgin Islands'' and inserting ''and the District Court of Guam''.

(k) FINAL DECISIONS OF DISTRICT COURTS.—Section 1291 of title 28, United States Code, is amended by striking '', the United States District Court for the District of the Canal Zone, the District Court of Guam, and the District Court of the Virgin Islands,'' and inserting ''and the District Court of Guam,''.

(l) INTERLOCUTORY DECISIONS.—Section 1292 of title 28, United States Code, is amended—

(1) in subsection (a), by striking '', the United States District Court for the District of the Canal Zone, the District Court of Guam, and the District Court of the Virgin Islands,'' and inserting ''and the District Court of Guam,''; and

(2) in subsection (d)(4)(A), by striking ''the District Court of the Virgin Islands,''.

(m) JURISDICTION OF THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT.—Section 1295(a) of title 28, United States Code, is amended in paragraphs (1) and (2)—

(1) by striking ''the United States District Court for the District of the Canal Zone,''; and

(2) by striking ''the District Court of the Virgin Islands,''.

(n) UNITED STATES AS DEFENDANT.—Section 1346(b)(1) of title 28, United States Code, is amended by striking '', together with the United States District Court for the District of the Canal Zone and the District Court of the Virgin Islands,''.

(o) ADEQUATE REPRESENTATION OF DEFENDANTS.—Section 3006A(j) of title 18, United States Code, is amended by striking ''the District Court of the Virgin Islands,''.

(p) SAVINGS PROVISIONS.—

(1) TENURE OF INCUMBENT JUDGES.—A judge of the District Court of the Virgin Islands in office on the effective date of this section shall continue in office until the expiration of the term for which the judge was appointed, or until the judge dies, resigns, or is removed from office, whichever occurs first. When a vacancy occurs on the court on or after the effective date of this section, the President, in accordance with section 133(a) of title 28, United States Code, shall appoint, by and with the advice and consent of the Senate, a district judge for the District of the Virgin Islands.

(2) RETIREMENT RIGHTS AND BENEFITS.—The amendments made by this section shall not affect the rights under sections 373 and 376 of title 28, United States Code, of any judge of the District Court of the Virgin Islands who retires on or before the effective date of this section or who continues in office after that date under paragraph (1) of this subsection. Service as a judge of the District Court of the Virgin Islands appointed under section 24 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1614) shall be included in calculating service under sections 371 and 372 of title 28, United States Code, and shall not be counted for purposes of section 373 of that title, if the judge is reappointed, after the effective date of this section, under section 133(a) of title 28, United States Code, as district judge for the District of the Virgin Islands.

(q) AMENDMENTS TO REVISED ORGANIC ACT OF THE VIRGIN ISLANDS.—

(1) REPEALS.—Sections 24, 25, 26, and 27 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1614, 1615, 1616 and 1617) are repealed.

(2) RIGHTS AND PROHIBITIONS.—Section 3 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1561) is amended in the 23d undesignated paragraph—

(A) by inserting ''article III;'' after ''section 9, clauses 2 and 3;'' and

(B) by striking ''That all offenses against the laws of the United States'' and all that follows through ''section 22(b) of this Act or'' and inserting ''That all offenses against the laws of the Virgin Islands which are prosecuted''.

(3) JURISDICTION.—Section 21 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1611) is amended to read as follows:

''SEC. 21. JURISDICTION OF THE COURTS OF THE VIRGIN ISLANDS.

''(a) JURISDICTION OF THE COURTS OF THE VIRGIN ISLANDS.—The judicial power of the Virgin Islands shall be vested in such trial and appellate courts as may have been or may hereafter be established by local law. The local courts of the Virgin Islands shall have jurisdiction over all causes of action in the Virgin Islands over which any court established by the Constitution and laws of the United States does not have exclusive jurisdiction.

''(b) PRACTICE AND PROCEDURE.—The rules governing the practice and procedure of the courts established by local law and those prescribing the qualifications and duties of the judges and officers thereof, oaths and bonds, and the times and places of holding court shall be governed by local law or the rules promulgated by those courts.''.

(4) INCOME TAX MATTERS.—Section 22 of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1612) is amended to read as follows:

''SEC. 22. JURISDICTION OVER INCOME TAX MATTERS.

''The United States District Court for the District of the Virgin Islands shall have exclusive jurisdiction over all criminal and civil proceedings in the Virgin Islands with respect to the income tax laws applicable to the Virgin Islands, except the ancillary laws relating to the income tax enacted by the legislature of the Virgin Islands. Any act or failure to act with respect to the income tax laws applicable to the Virgin Islands which would constitute a criminal offense described in chapter 75 of subtitle F of the Internal Revenue Code of 1986 shall constitute an offense against the Government of the Virgin Islands and may be prosecuted in the name of the Government of the Virgin Islands by the appropriate officers thereof in the United States District Court for the District of the Virgin Islands without the request or consent of the United States attorney for the Virgin Islands.''.

(5) APPELLATE JURISDICTION.—Section 23A of the Revised Organic Act of the Virgin Islands (48 U.S.C. 1613a) is amended—

(A) by striking ''District Court of the Virgin Islands'' each place it appears and inserting ''United States District Court for the District of the Virgin Islands''; and

(B) in subsection (b), by striking ''pursuant to section 24(a) of this Act: *Provided,* That no more than one of them may be a judge of a court established by local law.'' and inserting ''pursuant to chapter 13 of title 28, United States Code, or a recalled senior judge of the former District Court of the Virgin Islands. The chief judge of the United States Court of Appeals for the Third Circuit may assign to the appellate division a judge of a court of record of the Virgin Islands, except that no more than 1 of the judges sitting in the appellate division at any session may be a judge of a court established by local law.''.

(r) ADDITIONAL REFERENCES.—Any reference in any provision of law to the ''District Court of the Virgin Islands'' shall, on and after the effective date of this section, be deemed to be a reference to the United States District Court for the District of the Virgin Islands.

(s) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect at the end of the 90-day period beginning on the date of the enactment of this Act. Any complaint or proceeding pending in the District Court of the Virgin Islands on the effective date of this section may be pursued to final determination in the United States District Court for the District of the Virgin Islands, the United States Court of Appeals for the Third Circuit, the United States Court of Appeals for the Federal Circuit, and the Supreme Court of the United States.

SEC. 5205. EFFECTIVE DATE.

Except as provided in section 5204(s), this subtitle and the amendments made by this subtitle shall take effect on the date of the enactment of this Act.

Subtitle C—Bankruptcy Judgeships

SEC. 5301. SHORT TITLE.

This subtitle may be cited as the ''Enhanced Bankruptcy Judgeship Act of 2005''.

SEC. 5302. AUTHORIZATION FOR ADDITIONAL BANKRUPTCY JUDGESHIPS.

The following judgeships shall be filled in the manner prescribed in section 152(a)(1) of title 28, United States Code, for the appointment of bankruptcy judges provided for in section 152(a)(2) of such title:

(1) 1 additional bankruptcy judgeship for the eastern and western districts of Arkansas.

(2) 1 additional bankruptcy judgeship for the eastern district of California.

(3) 2 additional bankruptcy judgeships for the middle district of Florida.

(4) 2 additional bankruptcy judgeships for the northern district of Georgia.

(5) 1 additional bankruptcy judgeship for the southern district of Georgia.

(6) 1 additional bankruptcy judgeship for the eastern district of Kentucky.

(7) 1 additional bankruptcy judgeship for the district of Maryland.

(8) 3 additional bankruptcy judgeships for the eastern district of Michigan.

(9) 1 additional bankruptcy judgeship for the southern district of New York.

(10) 1 additional bankruptcy judgeship for the western district of Pennsylvania.

(11) 1 additional bankruptcy judgeship for the western district of Tennessee.

(12) 1 additional bankruptcy judgeship for the eastern district of Texas.

(13) 1 additional bankruptcy judgeship for the district of Utah.

SEC. 5303. TEMPORARY BANKRUPTCY JUDGESHIPS.

(a) AUTHORIZATION FOR ADDITIONAL TEMPORARY BANKRUPTCY JUDGESHIPS.—The following judgeships shall be filled in the manner prescribed in section 152(a)(1) of title 28, United States Code, for the appointment of bankruptcy judges provided for in section 152(a)(2) of such title:

(1) 1 additional bankruptcy judgeship for the northern district of Florida.

(2) 2 additional bankruptcy judgeships for the middle district of Florida.

(3) 1 additional bankruptcy judgeship for the northern district of Indiana.

(4) 1 additional bankruptcy judgeship for the northern district of Mississippi.

(5) 1 additional bankruptcy judgeship for the district of Nevada.

(6) 1 additional bankruptcy judgeship for the western district of North Carolina.

(7) 1 additional bankruptcy judgeship for the southern district of Ohio.

(b) VACANCIES.—

(1) DISTRICTS WITH SINGLE APPOINTMENTS.—Except as provided in paragraph (2), the first vacancy occurring in the office of bankruptcy judge in each of the judicial districts set forth in subsection (a)—

(A) occurring 5 years or more after the appointment date of the bankruptcy judge appointed under subsection (a) to such office, and

(B) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(2) MIDDLE DISTRICT OF FLORIDA.—The 1st and 2d vacancies in the office of bankruptcy judge in the middle district of Florida—

(A) occurring 5 years or more after the respective 1st and 2d appointment dates of the bankruptcy judges appointed under subsection (a)(2), and

(B) resulting from the death, retirement, resignation, or removal of a bankruptcy judge,

shall not be filled.

(c) ELIGIBILITY FOR SUBSEQUENT APPOINTMENTS.—A judge holding office in any of the districts enumerated in subsection (a) shall, at the expiration of the term of the judge (other than by reason of paragraph (1)(B) or (2)(B) of subsection (b)), be eligible for reappointment as a bankruptcy judge in that district.

SEC. 5304. CONVERSION OF EXISTING TEMPORARY BANKRUPTCY JUDGESHIPS.

(a) JUDGESHIPS AUTHORIZED BY PUBLIC LAW 102–361.—The following temporary bankruptcy judgeships authorized by the following paragraphs of section 3(a) of Public Law 102–361, as amended by section 307 of Public Law 104–317 (28 U.S.C. 152 note), are converted to permanent bankruptcy judgeships under section 152(a)(2) of title 28, United States Code:

(1) The temporary bankruptcy judgeship for the district of Delaware authorized by paragraph (3).

(2) The temporary bankruptcy judgeship for the southern district of Illinois authorized by paragraph (4).

(3) The temporary bankruptcy judgeship for the district of Puerto Rico authorized by paragraph (7).

(b) JUDGESHIPS AUTHORIZED BY PUBLIC LAW 109–8.—The following temporary bankruptcy judgeships authorized by the following subparagraphs of section 1223(b)(1) of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005 (Public Law 109–8), are converted to permanent bankruptcy judgeships under section 152(a)(2) of title 28, United States Code:

(1) The 4 temporary bankruptcy judgeships for the district of Delaware authorized by subparagraph (C).

(2) The temporary bankruptcy judgeship for the southern district of Georgia authorized by subparagraph (E).

(3) One of the 3 temporary bankruptcy judgeships for the district of Maryland authorized by subparagraph (F).

(4) The temporary bankruptcy judgeship for the eastern district of Michigan authorized by subparagraph (G).

(5) The temporary bankruptcy judgeship for the district of New Jersey authorized by subparagraph (I).

(6) The temporary bankruptcy judgeship for the northern district of New York authorized by subparagraph (K).

(7) The temporary bankruptcy judgeship for the southern district of New York authorized by subparagraph (L).

(8) The temporary bankruptcy judgeship for the eastern district of North Carolina authorized by subparagraph (M).

(9) The temporary bankruptcy judgeship for the eastern district of Pennsylvania authorized by subparagraph (N).

(10) The temporary bankruptcy judgeship for the district of South Carolina authorized by subparagraph (S).

(11) The temporary bankruptcy judgeship for the western district of Tennessee authorized by subparagraph (Q).

SEC. 5305. GENERAL PROVISIONS.

(a) TABLE OF JUDGESHIPS.—In order that the table contained in section 152(a)(2) of title 28, United States Code, will, with respect to each judicial district, reflect the changes in the total number of bankruptcy judgeships authorized under sections 5302 and 5304, such table is amended to read as follows:

"Districts	**Judges**
"Alabama:	
"Northern	5
"Middle	2
"Southern	2
"Alaska	2
"Arizona	7
"Arkansas:	
"Eastern and Western	4
"California:	
"Northern	9
"Eastern	7
"Central	21
"Southern	4
"Colorado	5
"Connecticut	3
"Delaware	6
"District of Columbia	1
"Florida:	
"Northern	1
"Middle	10
"Southern	5
"Georgia:	
"Northern	10
"Middle	3
"Southern	4
"Hawaii	1
"Idaho	2
"Illinois:	
"Northern	10
"Central	3
"Southern	2
"Indiana:	
"Northern	3
"Southern	4
"Iowa:	
"Northern	2
"Southern	2
"Kansas	4
"Kentucky:	
"Eastern	3
"Western	3
"Louisiana:	
"Eastern	2
"Middle	1
"Western	3
"Maine	2
"Maryland	6
"Massachusetts	5
"Michigan:	
"Eastern	8
"Western	3
"Minnesota	4
"Mississippi:	
"Northern	1
"Southern	2
"Missouri:	
"Eastern	3
"Western	3
"Montana	1
"Nebraska	2
"Nevada	3
"New Hampshire	1
"New Jersey	9
"New Mexico	2
"New York:	
"Northern	3
"Southern	11
"Eastern	6
"Western	3
"North Carolina:	
"Eastern	3
"Middle	2
"Western	2
"North Dakota	1
"Ohio:	
"Northern	8
"Southern	7
"Oklahoma:	
"Northern	2
"Eastern	1
"Western	3
"Oregon	5
"Pennsylvania:	
"Eastern	6
"Middle	2
"Western	5
"Puerto Rico	3
"Rhode Island	1
"South Carolina	3
"South Dakota	2
"Tennessee:	
"Eastern	3
"Middle	3
"Western	6
"Texas:	
"Northern	6
"Eastern	3
"Southern	6
"Western	4
"Utah	4
"Vermont	1
"Virgin Islands	0
"Virginia:	
"Eastern	5
"Western	3
"Washington:	
"Eastern	2
"Western	5
"West Virginia:	
"Northern	1

''Southern 1
''Wisconsin:
''Eastern 4
''Western 2
''Wyoming ..... 1.''.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that bankruptcy judges in the eastern district of California should conduct bankruptcy proceedings on a daily basis in Bakersfield, California.

SEC. 5306. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle shall take effect on the date of the enactment of this Act.

Subtitle D—Ninth Circuit Reorganization

SEC. 5401. SHORT TITLE.

This subtitle may be cited as the ''Judicial Administration and Improvements Act of 2005''.

SEC. 5402. DEFINITIONS.

In this subtitle:

(1) FORMER NINTH CIRCUIT.—The term ''former ninth circuit'' means the ninth judicial circuit of the United States as in existence on the day before the effective date of this subtitle.

(2) NEW NINTH CIRCUIT.—The term ''new ninth circuit'' means the ninth judicial circuit of the United States established by the amendment made by section 5403(2)(A).

(3) TWELFTH CIRCUIT.—The term ''twelfth circuit'' means the twelfth judicial circuit of the United States established by the amendment made by section 5403(2)(B).

SEC. 5403. NUMBER AND COMPOSITION OF CIRCUITS.

Section 41 of title 28, United States Code, is amended—

(1) in the matter preceding the table, by striking ''thirteen'' and inserting ''fourteen''; and

(2) in the table—

(A) by striking the item relating to the ninth circuit and inserting the following:

''Ninth ..... California, Guam, Hawaii, Northern Mariana Islands.'';

and

(B) by inserting after the item relating to the eleventh circuit the following:

''Twelfth ..... Alaska, Arizona, Idaho, Montana, Nevada, Oregon, Washington.''.

SEC. 5404. NUMBER OF CIRCUIT JUDGES.

The table contained in section 44(a) of title 28, United States Code, as amended by section 5202(c) of this Act, is further amended—

(1) by striking the item relating to the ninth circuit and inserting the following:

''Ninth ..... 19'';

and

(2) by inserting after the item relating to the eleventh circuit the following:

''Twelfth ..... 14''.

SEC. 5405. PLACES OF CIRCUIT COURT.

The table contained in section 48(a) of title 28, United States Code, is amended—

(1) by striking the item relating to the ninth circuit and inserting the following:

''Ninth ..... Honolulu, Pasadena, San Francisco.'';

and

(2) by inserting after the item relating to the eleventh circuit the following:

''Twelfth ..... Las Vegas, Missoula, Phoenix, Portland, Seattle.''.

SEC. 5406. ASSIGNMENT OF CIRCUIT JUDGES.

Each circuit judge of the former ninth circuit who is in regular active service and whose official duty station on the day before the effective date of this subtitle—

(1) is in California, Guam, Hawaii, or the Northern Mariana Islands shall be a circuit judge of the new ninth circuit as of such effective date; and

(2) is in Alaska, Arizona, Idaho, Montana, Nevada, Oregon, or Washington shall be a circuit judge of the twelfth circuit as of such effective date.

SEC. 5407. ELECTION OF ASSIGNMENT BY SENIOR JUDGES.

Each judge who is a senior circuit judge of the former ninth circuit on the day before the effective date of this subtitle may elect to be assigned to the new ninth circuit or the twelfth circuit as of such effective date and shall notify the Director of the Administrative Office of the United States Courts of such election.

SEC. 5408. SENIORITY OF JUDGES.

The seniority of each judge—

(1) who is assigned under section 5406, or

(2) who elects to be assigned under section 5407,

shall run from the date of commission of such judge as a judge of the former ninth circuit.

SEC. 5409. APPLICATION TO CASES.

The following apply to any case in which, on the day before the effective date of this subtitle, an appeal or other proceeding has been filed with the former ninth circuit:

(1) Except as provided in paragraph (3), if the matter has been submitted for decision, further proceedings with respect to the matter shall be had in the same manner and with the same effect as if this subtitle had not been enacted.

(2) If the matter has not been submitted for decision, the appeal or proceeding, together with the original papers, printed records, and record entries duly certified, shall, by appropriate orders, be transferred to the court to which the matter would have been submitted had this subtitle been in full force and effect at the time such appeal was taken or other proceeding commenced, and further proceedings with respect to the case shall be had in the same manner and with the same effect as if the appeal or other proceeding had been filed in such court.

(3) If a petition for rehearing en banc is pending on or after the effective date of this subtitle, the petition shall be considered by the court of appeals to which it would have been submitted had this subtitle been in full force and effect at the time that the appeal or other proceeding was filed with the court of appeals.

SEC. 5410. TEMPORARY ASSIGNMENT OF CIRCUIT JUDGES AMONG CIRCUITS.

Section 291 of title 28, United States Code, is amended by adding at the end the following:

''(c) The chief judge of the Ninth Circuit may, in the public interest and upon request by the chief judge of the Twelfth Circuit, designate and assign temporarily any circuit judge of the Ninth Circuit to act as circuit judge in the Twelfth Circuit.

''(d) The chief judge of the Twelfth Circuit may, in the public interest and upon request by the chief judge of the Ninth Circuit, designate and assign temporarily any circuit judge of the Twelfth Circuit to act as circuit judge in the Ninth Circuit.''.

SEC. 5411. TEMPORARY ASSIGNMENT OF DISTRICT JUDGES AMONG CIRCUITS.

Section 292 of title 28, United States Code, is amended by adding at the end the following:

''(f) The chief judge of the United States Court of Appeals for the Ninth Circuit may, in the public interest—

''(1) upon request by the chief judge of the Twelfth Circuit, designate and assign 1 or more district judges within the Ninth Circuit to sit upon the Court of Appeals of the Twelfth Circuit, or a division thereof, whenever the business of that court so requires; and

''(2) designate and assign temporarily any district judge within the Ninth Circuit to hold a district court in any district within the Twelfth Circuit.

''(g) The chief judge of the United States Court of Appeals for the Twelfth Circuit may in the public interest—

''(1) upon request by the chief judge of the Ninth Circuit, designate and assign 1 or more district judges within the Twelfth Circuit to sit upon the Court of Appeals of the Ninth Circuit, or a division thereof, whenever the business of that court so requires; and

''(2) designate and assign temporarily any district judge within the Twelfth Circuit to hold a district court in any district within the Ninth Circuit.

''(h) Any designations or assignments under subsection (f) or (g) shall be in conformity with the rules or orders of the court of appeals of, or the district within, as applicable, the circuit to which the judge is designated or assigned.''.

SEC. 5412. ADMINISTRATION.

The court of appeals for the ninth circuit as constituted on the day before the effective date of this subtitle may take such administrative action as may be required to carry out this subtitle and the amendments made by this subtitle. Such court shall cease to exist for administrative purposes 2 years after the date of the enactment of this Act.

SEC. 5413. EFFECTIVE DATE.

This subtitle and the amendments made by this subtitle shall take effect no later than December 31, 2006.

Subtitle E—Authorization of Appropriations

SEC. 5501. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for each of fiscal years 2006 through 2009 such sums as are necessary to carry out subtitles B, C, and D of this title, including such sums as may be necessary to provide appropriate space and facilities for the judicial positions created by this title. Funds appropriated pursuant to this section in any fiscal year shall remain available until expended.

TITLE VI—COMMITTEE ON RESOURCES

Subtitle A—Miscellaneous Amendments Relating to Mining

Sec. 6101. Fees for recordation and location of mining claims.
Sec. 6102. Patents for mining or mill site claims.
Sec. 6103. Mineral examinations for mining on certain lands.
Sec. 6104. Mineral development lands available for purchase.
Sec. 6105. National mining and minerals policy to encourage and promote the productive second use of lands.
Sec. 6106. Regulations.
Sec. 6107. Protection of national parks and wilderness areas.

Subtitle B—Disposal of Public Lands

CHAPTER 1—DISPOSAL OF CERTAIN PUBLIC LANDS IN NEVADA

Sec. 6201. Short title.
Sec. 6202. Definitions.
Sec. 6203. Land conveyance.
Sec. 6204. Disposition of proceeds.

CHAPTER 2—DISPOSAL OF CERTAIN PUBLIC LANDS IN IDAHO

Sec. 6211. Short title.
Sec. 6212. Definitions.
Sec. 6213. Land conveyance.
Sec. 6214. Disposition of proceeds.

Subtitle C—Oil shale

Sec. 6301. Oil shale and tar sands amendments.

Subtitle D—Sale and Conveyance of Federal Land

Sec. 6401. Collection of receipts from the sale of Federal lands.

Subtitle A—Miscellaneous Amendments Relating to Mining

SEC. 6101. FEES FOR RECORDATION AND LOCATION OF MINING CLAIMS.

(a) DIMENSIONS OF MINING CLAIMS.—Section 2320 of the Revised Statutes (30 U.S.C. 23) is amended by striking the second and third sentences and inserting the following: ''A mining claim located after May 10, 1872, whether located by one or more persons, and including a claim located before exposure of the vein or lode, may equal, but shall not exceed, 1,500 feet in length along the vein or lode, and shall extend no more than 300 feet on each side of the middle of the vein at the surface, nor shall any claim be limited by any mining regulation to less than 25 feet on each side of the middle of the vein at the surface, except where adverse rights existing on May 10, 1872, render such limitation necessary.''.

(b) RIGHTS SECURED BY CLAIM MAINTENANCE FEES.—Section 2322 of the Revised Statutes (30 U.S.C. 26) is amended by inserting ''(a) RIGHTS OF LOCATORS, GENERALLY.—'' before the first sentence, and by adding at the end the following:

''(b) RIGHTS SECURED BY MAINTENANCE FEES.—Prior to issuance of a patent, timely payment of the claim maintenance fee secures the rights of the holder of a mining claim, mill site, or tunnel site, both prior to and after discovery of valuable mineral deposits, to use and occupy public lands under the provisions of the general mining law of the United States (as that term is defined in section 2324 of the Revised Statutes) for mineral prospecting, exploration, development, mining, milling, and processing of minerals, reclamation of the claimed lands, and uses reasonably incident thereto. Except for the location fee and the maintenance fees in section 2324 of the Revised Statutes (30 U.S.C. 28), and the patent prices in sections 2325, 2326, 2333, and 2337 of the Revised Statutes (30 U.S.C. 29, 30, 37, and 42), no other fees or fair market value assessments shall be applied to prospecting, exploration, development, mining, processing, or reclamation, and uses reasonably incident thereto.''.

(c) PATENT REQUIREMENTS.—Section 2325 of the Revised Statutes (30 U.S.C. 29) is amended—

(1) in the second sentence by striking '', or at any time'' and inserting ''shall include a processing fee of $2,500 for the first claim or site, and $50 for each additional claim contained therein, and at any time''; and

(2) in the fourth sentence by inserting ''and if the applicant has complied with the law of discovery'' after ''publication''.

(d) MINING DISTRICT REGULATIONS BY MINERS.—Section 2324 of the Revised Statutes (30 U.S.C. 28) is amended to read as follows:

''SEC. 2324. (a) AUTHORITY TO MAKE REGULATIONS.—The miners of each mining district may make regulations not in conflict with the laws of the United States, or with the laws of the State or Territory in which the district is situated, governing the location, manner of recording, amount of work necessary to hold possession of a mining claim, subject to the following requirements:

''(1) The location must be distinctly marked on the ground so that its boundaries can be readily traced.

''(2) All records of mining claims made after May 10, 1872, shall contain the name or names of the locators, the date of the location, and such a description of the claim or claims located by reference to some natural object or permanent monument as will identify the claim.

''(b) RECORDATION OF MINING CLAIMS AND ABANDONMENT.—The locator of an unpatented lode or placer mining claim, mill site, or tunnel site located after October 21, 1976, pursuant to the general mining law of the United States shall, within 90 days after the date of location of such claim, file in the office designated by the Secretary of the Interior a copy of the official record of the notice of location or certificate of location, including a description of the location of the mining claim or mill or tunnel site sufficient to locate the claimed lands on the ground. The failure to file such instruments as required by this subsection is deemed conclusively to constitute an abandonment of the mining claim, mill site, or tunnel site by the owner. Such recordation by itself shall not render valid any claim that would not be otherwise valid under applicable law.

''(c) LOCATION FEE.—Notwithstanding any other provision of law, for every mining claim, mill site, or tunnel site located after the date of the enactment of this subsection pursuant to the general mining law of the United States, the locator shall, at the time the location notice is recorded pursuant to subsection (b), pay a location fee of $100 per claim. This fee shall be in addition to the first year's claim maintenance fee required by subsection (d). Payment of the location fee required by this subsection and the maintenance fee required by subsection (d) secures to the locator the right to use and occupy the public lands for purposes of the general mining law of the United States.

''(d) SCHEDULE OF CLAIM MAINTENANCE FEES.—(1) The holder of each unpatented mining claim, mill site, or tunnel site located pursuant to the general mining law of the United States on or after the date of the enactment of this subsection shall pay to the Secretary of the Interior, on or before September 1 of each year, a claim maintenance fee per claim. Except as provided in paragraph (2), such claim maintenance fee shall be paid in the following amounts:

''(A) $35 per claim for each of the first through fifth maintenance years, beginning with the year the claim was recorded.

''(B) $70 per claim for each of the sixth through tenth maintenance years.

''(C) $125 per claim for each of the eleventh through fifteenth maintenance years.

''(D) $150 per claim for the sixteenth maintenance year and each year thereafter.

''(2) Notwithstanding any other provision of law, for each unpatented mining claim located after the date of enactment of this subsection pursuant to the general mining law of the United States from which minerals are produced, and in lieu of the fee otherwise required by paragraph (1), the holder shall pay to the Secretary of the Interior an annual maintenance fee of $200 per claim.

''(3) The holder of each unpatented mining claim, mill site, or tunnel site located pursuant to the general mining law of the United States before the date of enactment of this subsection shall pay to the Secretary of the Interior for such claim—

''(A) except as provided in subparagraph (B), the claim maintenance fee that applied before such date of enactment; or

''(B) the claim maintenance fee that applies under paragraph (1) or (2), based on the number of years since the original location of the claim, if before the date the payment is due the claim holder—

''(i) notifies the Secretary; and

''(ii) pays to the Secretary a transfer fee of $100.

''(e) ADJUSTMENT OF CLAIM MAINTENANCE FEES.—Claim maintenance fees under subsection (d) shall not be subject to adjustment.

''(f) WORK REQUIREMENT.—(1) The holder of each unpatented mining claim, mill site, or tunnel site located pursuant to the general mining law of the United States after the date of enactment of this subsection, and any holder of a claim that has transferred such claim to the claim maintenance fee schedule under subsection (d), shall conduct physical evaluation and development of the claim or of any contiguous block of claims of which the claim is a part. Exploration and mining activities conducted pursuant to a notice, approved plan of operations, or, in the case of split estate lands, a comparable State or county notice or approval, demonstrates compliance with this section.

''(2) If physical evaluation of the claim is not carried out in accordance with paragraph (1) before the end of the fifth, tenth, or fifteenth maintenance year (beginning with the maintenance year in which the claim is filed), respectively, the claim holder shall be required to pay in the next maintenance year the location fee described in subsection (c), in addition to the annual claim maintenance fee required to be paid for the next maintenance year.

''(g) WAIVER OF CLAIM MAINTENANCE FEE ADJUSTMENTS AND WORK REQUIREMENT.—If a delay in meeting the work requirements under subsection (f) is the result of pending administrative proceedings, rights-of-way disputes, or litigation concerning issuance or validity of any permit or authorization required under Federal, State, or local law for physical evaluation and development of the claim—

''(1) any increase in the claim maintenance fee that would otherwise apply under subsection (d) and the work requirements under subsection (f) shall be suspended for the claim; and

''(2) claim maintenance fees required to be paid each year for the claim shall be the same as the fee that applied for the year in which the delay first occurred, and no additional location fee will be owed.

''(h) TIME OF PAYMENT.—The claim maintenance fee required under subsection (d) for any maintenance year shall be paid before the commencement of the maintenance year, except that, for the maintenance year in which the location is made the locator shall pay the claim maintenance fee and the location fee imposed under subsection (c) at the time the location notice is recorded with the Bureau of Land Management. The Director of the Bureau of Land Management, after consultation with the Governor of Alaska and by not later than 1 year after the date of enactment of this subsection, may establish a claim maintenance fee filing date for Alaska claim holders that is not later than 60 days after September 1.

''(i) SMALL MINER CLAIM MAINTENANCE FEE.—(1) In the case of a claim for which the holder certifies in writing to the Secretary that, on the date the payment of any claim maintenance fee under this section was due, the claim holder and all related parties held not more than 10 mining claims, mill sites, or tunnel sites, or any combination thereof, on public lands—

''(A) the claim maintenance fee shall be $25 per claim per year for the life of the claim or site held by the claim holder; and

''(B) subsection (f) shall not apply.

''(2) In this subsection:

''(A) With respect to any claim holder, the term 'related party' means—

''(i) the spouse and dependent children (as defined in section 152 of the Internal Revenue Code of 1986 (26 U.S.C. 152), as in effect on the date of the enactment of this paragraph of the claim holder; and

''(ii) a person who controls, is controlled by, or is under common control with the claim holder.

''(B) The terms 'control', 'controls', and 'controlled' include actual control, legal control, and the power to exercise control, through or by common directors, officers, stockholders, a voting trust, or a holding company or investment company, or any other means.

''(j) FAILURE TO PAY.—(1) Failure to pay a claim maintenance fee or a location fee for an unpatented mining claim as required by this section shall subject an unpatented mining claim, mill site, or tunnel site to forfeiture by the claim holder as provided in this subsection.

''(2) The Secretary of the Interior shall provide the claim holder with notice of the failure and the opportunity to cure within 45 calendar days after the claim holder's receipt of the notice.

''(3) The claim holder must, within such 45-day period, pay twice the amount of maintenance fee that would otherwise have been required to be timely paid. The Secretary of the Interior shall specify the amount that must be paid in the notice under paragraph (2).

''(4) Failure by the claim holder to make a timely and proper payment in the amount specified in the notice by the Secretary of the Interior, within 45 days after the claim holder's receipt of the notice, shall constitute a forfeiture of the mining claim, mill site, or tunnel site by the claim holder by operation of law.

''(k) FAILURE OF CO-OWNER TO CONTRIBUTE.—Upon the failure of any one of several co-owners of a claim to contribute the co-owner's proportion of any claim maintenance fee required by this section, the co-owners who have paid the claim maintenance fee, at the expiration of the year in which any unpaid amount was due, may give such delinquent co-owner personal notice in writing or notice by publication in the newspaper of record for the county in which the land that is subject to the claim or mill site is located, at least once a week for 90 days. If at the expiration of such 90-day period such delinquent co-owner fails or refuses to contribute the co-owner's proportion of the claim maintenance fee required by this section, the co-owner's interest in the claim shall become the property of the other co-owners who have paid the claim maintenance fee. The co-owners who have assumed the interest in the claims shall notify the Secretary of the Interior within 30 days of the assumption.

''(l) OIL SHALE CLAIMS SUBJECT TO CLAIM MAINTENANCE FEES UNDER ENERGY POLICY ACT OF 1992.— This section shall not apply to any oil shale claim for which a fee is required to be paid under section 2511(e)(2) of the Energy Policy Act of 1992 (30 U.S.C. 242).

''(m) GENERAL MINING LAW OF THE UNITED STATES DEFINED; RULE OF CONSTRUCTION.—(1) In this section the term 'general mining law of the United States' means the provisions of law codified in chapters 2, 12, 12A, 15, and 16 of title 30, United States Code, and in sections 161 and 162 of such title.

''(2) Subsections (b) and (c) shall be construed in accordance with judicial decisions under section 314 of the Federal Land Policy and Management Act of 1976, as in effect before the enactment of those subsections.''.

(e) CONFORMING AMENDMENTS.—

(1) The Federal Land Policy and Management Act of 1976 is amended—

(A) by striking section 314 (43 U.S.C. 1744);

(B) in the table of contents preceding title I by striking the item relating to section 314; and

(C) in section 302(a) by striking ''section 314, section 603,'' and inserting ''section 603''.

(2) Section 22 of the Alaska Native Claims Settlement Act is amended by striking ''and section 314 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744)''.

(3) Section 31(f) of the Mineral Leasing Act (30 U.S.C. 188(f)) is amended by striking ''section 314 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1744)'' and inserting ''subsections (b) and (c) of section 2320 of the Revised Statutes (30 U.S.C. 23)''.

(4) Section 2511(e) of the Energy Policy Act of 1992 (30 U.S.C. 242(e)) is amended by striking the last sentence.

SEC. 6102. PATENTS FOR MINING OR MILL SITE CLAIMS.

(a) REPEAL OF LIMITATION ON USE OF FUNDS FOR APPLICATIONS FOR PATENT.—Section 408(a) of the Department of the Interior, Environment, and Related Agencies Appropriations Act, 2006 (Public Law 109–54) is repealed.

(b) PAYMENT AMOUNTS.—The Revised Statutes are amended—

(1) in section 2325 (30 U.S.C. 29) by striking ''five dollars per acre'' and inserting ''$1,000 per acre or fair market value, whichever is greater'';

(2) in section 2326 (30 U.S.C. 30) by striking ''five dollars per acre'' and inserting ''$1,000 per acre or fair market value, whichever is greater;'';

(3) in section 2333 (30 U.S.C. 37)—

(A) by striking ''five dollars per acre'' and inserting ''$1,000 per acre or fair market value, whichever is greater;''; and

(B) by striking ''two dollars and fifty cents per acre'' and inserting ''$1,000 per acre or fair market value, whichever is greater'';

(4) in section 2337 (30 U.S.C. 42)—

(A) in subsection (a) by striking ''made at the same rate'' and all that follows through the end of that sentence and inserting ''at the rate of $1,000 per acre or fair market value, whichever is greater.''; and

(B) in subsection (b) by striking ''made at the rate'' and all that follows through the end of that sentence and inserting ''at the rate of $1,000 per acre or fair market value, whichever is greater.''; and

(5) in section 2325 (30 U.S.C. 29) by adding at the end the following: ''For purposes of this section and sections 2326, 2333, and 2337 of the Revised Statutes, fair market value for the patenting of mining claims or mill sites shall be determined by appraisals prepared by an appraiser certified or qualified under applicable professional criteria or State law, in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions and the Uniform Standards of Professional Appraisal Practice, submitted by the applicant for a patent to the Secretary of the Interior upon application for patent, that is completed within 120 days prior to submission of the application for patent.''.

(c) MINERAL DEVELOPMENT WORK REQUIREMENTS.—Section 2325 of the Revised Statutes (30 U.S.C. 29) is amended—

(1) by striking ''five hundred dollars' '' and inserting ''$7,500''; and

(2) by striking ''labor has been expended'' and inserting ''mineral development work has been performed''.

(d) PATENT APPLICANTS IN LIMBO.—If the holder of an unpatented mining claim or mill site submitted an application for a mineral patent and paid the patent service charges required by regulation at the time the application was submitted, and the Secretary of the Interior did not complete all actions to process the application before April 26, 1996, the holder of such claim may, at the holder's election, have such application processed under rules that applied before the date of the enactment of this Act.

(e) ALTERNATIVE VALUABLE MINERAL DEPOSIT CRITERIA.—Section 2325 of the Revised Statutes is further amended by inserting ''(a) MANNER FOR OBTAINING PATENT, GENERALLY.—'' before the first sentence, and by adding at the end the following:

''(b) ALTERNATIVE VALUABLE MINERAL DEPOSIT CRITERIA.—

''(1) CLAIMS SUBJECT TO ONGOING ACTIVITIES.—The holder of an unpatented mining claim or mill site who is conducting mining activities that meet the definition of a mine under section 3(h) of the Federal Mine Safety and Health Act of 1972 (30 U.S.C. 802(h)) and whose activities with respect to that claim or site are described in section 4 of such Act (30 U.S.C. 803) may receive a patent for any unpatented mining claims on which mining activities are occurring or any mill sites, within the boundaries of an approved plan of operations or a comparable State or county approval. Upon confirmation by the Secretary that minerals being mined are locatable in accordance with Federal law and that actual sales of minerals have taken place, all Federal lands within those boundaries are eligible for patent upon compliance with this section and sections 2327 and 2329 of the Revised Statutes (30 U.S.C. 34, 35).

''(2) DISCLOSED CLAIMS AND MILL SITES.—The holder of an unpatented mining claim or mill site whose proven and probable reserves are publicly disclosed in compliance with the Securities Act of 1933 (15 U.S.C. 77a) or the Securities Exchange Act of 1934 (15 U.S.C. 78a) may receive a patent for any such unpatented mining claim containing such reserves or for any mill site within the boundaries of a plan of operations or a comparable State or county approval for such reserves. All Federal lands within those boundaries are eligible for patent upon compliance with this section and sections 2327 and 2329 of the Revised Statutes (30 U.S.C. 34, 35).

''(c) MINERAL EXAMINATIONS.—

''(1) IN GENERAL.—In order to process patent applications in a timely and responsible manner, upon the request of a patent applicant, the Secretary of the Interior shall allow the applicant to fund a qualified third-party examiner from a list maintained by the Bureau of Land Management to conduct a mineral examination of the mining claims or mill sites contained in a patent application as set forth in this section and sections 2333 and 2337 of the Revised Statutes (30 U.S.C. 37, 42). The Bureau of Land Management shall have the sole responsibility to maintain the list of qualified third-party examiners.

''(2) TRAINING.—The Director of the Bureau of Land Management shall provide training in the conduct of mineral examinations to qualified individuals. The Director may charge fees to cover the costs of the training.

''(3) QUALIFIED THIRD-PARTY EXAMINER DEFINED.—In this subsection the term 'qualified third-party examiner' means a person who is a registered geologist or registered professional mining engineer licensed to practice within the State in which the claims are located.

''(d) DISPOSITION OF PROCEEDS.—The gross proceeds of conveyances of land under this section and sections 2319, 2330, 2332, 2333, and 2337 of the Revised Statutes (30 U.S.C. 22, 36, 37, 38, 42) shall be used as follows:

''(1) 10 percent shall be deposited into the Federal Energy and Mineral Resource Professional Development Fund.

''(2) 20 percent shall be available to the Secretary of the Army for use, through the Corps of Engineers, for the Restoration of Abandoned Mine Sites Program and section 560 of the Water Resources Development Act of 1999.

''(3) 70 percent shall be deposited into the General Fund of the Treasury.

''(e) ISSUING PATENTS.—If no adverse claim has been filed with the register and the receiver of the proper land office at the expiration of the 60-day period beginning on the date of publication of the notice that an application for mineral patent has been filed under section 2325, 2333 and 2337 of the Revised Statutes (30 U.S.C. 29, 37, 42), the Secretary shall issue the patent not later than 24 months after the date on which the application for patent was filed.

''(f) SMALL MINER PATENT ADJUDICATION AND MINERAL DEVELOPMENT WORK REQUIREMENTS.—The holder of 10 claims or less who applies for a mineral patent under this section or a direct purchase under section 2319 of the Revised Statutes (30 U.S.C. 22) shall pay one-fifth of the processing fees and perform one-fifth of the mineral development work required under this section and section 2319 (30 U.S.C. 22).''.

SEC. 6103. MINERAL EXAMINATIONS FOR MINING ON CERTAIN LANDS.

Section 302 of the Federal Land Policy and Management Act of 1976 (43 U.S.C. 1732) is amended by adding at the end the following:

''(e) The Secretary shall not require a mineral examination report, otherwise required to be prepared under regulations promulgated pursuant to this Act, to approve a plan of operations under such regulations for mining claims and mill sites located on withdrawn lands if such mining claims, mill sites, and blocks of such mining claims and mill sites are contiguous to patented or unpatented mining claims or mill sites where mineral development activities, including mining, have been conducted as authorized by law or regulation.''.

SEC. 6104. MINERAL DEVELOPMENT LANDS AVAILABLE FOR PURCHASE.

Section 2319 of the Revised Statutes (30 U.S.C. 22) is amended—

(1) by inserting ''(a) LANDS OPEN TO PURCHASE BY CITIZENS.—'' before the first sentence; and

(2) by adding at the end the following:

''(b) AVAILABILITY FOR PURCHASE.—Notwithstanding any other provision of law and in compliance with subsection (c), the Secretary of the Interior shall make mineral deposits and the lands that contain them, including lands in which the valuable mineral deposit has been depleted, available for purchase to facilitate sustainable economic development. This subsection shall not apply with respect to any unit of the National Park System, National Wildlife Refuge System, National Wild and Scenic Rivers System, or National Trails System, or to any National Conservation Area, any National Recreation Area, any National Monument, or any unit of the National Wilderness Preservation System.

''(c) APPLICATION.—The holder of mining claims, mill sites, and blocks of such mining claims and mill sites contiguous to patented or unpatented mining claims or mill sites where mineral development activities, including mining, have been conducted as authorized by law or regulation and on which mineral development work has been performed may apply to purchase Federal lands that are subject to the claims. The filing of the proper application shall include such processing fees as are required by section 2325 of the Revised Statutes (30 U.S.C. 29). The applicant or applicants, or their predecessors must present evidence of mineral development work performed on the Federal lands identified and submitted for purchase. Mineral development work upon aggregation must average not less than $7,500 per mining claim or mill site within the Federal lands identified and applied for.

''(d) LAND SURVEYS.—For the purpose of this section, and notwithstanding section 2334 of the Revised Statutes (30 U.S.C. 39), land surveys of the Federal lands applied for shall be paid for by the applicant and shall be completed either by a land surveyor registered in the State where the land is situated, or by such a surveyor also designated by the Bureau of Land Management as a mineral surveyor, if such mineral surveyors are available, willing, and able to complete such surveys without delay at a cost comparable to the charges of ordinary registered land surveyors.

''(e) DEADLINE FOR CONVEYANCE; PRICE.—Notwithstanding any other provision of law, and not later than one year after the date of the approval of any survey required under subsection (d), the Secretary of the Interior shall convey to the applicant, in return for a payment of $1,000 per acre or fair market value, whichever is greater, all right, title, and interest in and to the Federal land, subject to valid existing rights and the terms and conditions of the Act of August 30, 1890 (26 Stat. 391). For purposes of this subsection, fair market value for mineral development lands available for purchase shall be determined by appraisals prepared by an appraiser certified or qualified under applicable professional criteria or State law, in accordance with the Uniform Appraisal Standards for Federal Land Acquisitions and the Uniform Standards of Professional Appraisal Practice, submitted by the applicant to the Secretary of the Interior upon application for purchase, that is completed within 120 days prior to submission of the application. Fair market value for the interest in the land owned by the United States shall be exclusive of, and without regard to, the mineral deposits in the land or the use of such land for mineral activities.

''(f) ENVIRONMENTAL LIABILITY.—Notwithstanding any other Federal, State or local law, the United States shall not be responsible for—

''(1) investigating or disclosing the condition of any property to be conveyed under this section; and

''(2) environmental remediation, waste management, or environmental compliance activities arising from its ownership, occupancy, or management of land and interests therein conveyed under this section with respect to conditions existing at or on the land at the time of the conveyance.

''(g) MINERAL DEVELOPMENT WORK DEFINED.—In this section the term 'mineral development work' means geologic, geochemical or geophysical surveys; road building; exploration drilling, trenching, and exploratory sampling by any other means; construction of underground workings for the purpose of conducting exploration; mine development work; mineral production from underground or surface mines; environmental baseline studies; construction of environmental protection and monitoring systems; environmental reclamation; construction of power and water distribution facilities; engineering, metallurgical, geotechnical, and economic feasibility studies; land surveys; and any other work reasonably incident to mineral development.''.

SEC. 6105. NATIONAL MINING AND MINERALS POLICY TO ENCOURAGE AND PROMOTE THE PRODUCTIVE SECOND USE OF LANDS.

Section 101 of the Mining and Minerals Policy Act of 1970 (30 U.S.C. 21a) is amended—

(1) in the first sentence—

(A) in clause (2) by inserting ''including through remining where appropriate'' after ''needs,'';

(B) in clause (3) by striking ''and'' after the comma at the end; and

(C) by striking the period at the end and inserting the following: '', and (5) facilitate the productive second use of lands used for mining and energy production.'';

(2) in the second sentence by striking ''oil shale and uranium'' and inserting ''oil shale, and uranium, whether located onshore or offshore''; and

(3) in the third sentence—

(A) by striking ''the Secretary of the Interior'' and inserting ''the head of each Federal department and of each independent agency''; and

(B) by striking ''his''.

SEC. 6106. REGULATIONS.

The Secretary of the Interior shall issue final regulations implementing this subtitle by not later than 180 days after the date of the enactment of this Act.

SEC. 6107. PROTECTION OF NATIONAL PARKS AND WILDERNESS AREAS.

Subject to valid existing rights, nothing in sections 6202, 6203, 6204, 6205, and 6206 of this subtitle shall be construed as affecting any lands within the boundary of any unit of the National Park System, National Wildlife Refuge System, National Wild and Scenic Rivers System, or National Trails System, or any National Conservation Area, any National Recreation Area, any National Monument, or any unit of the National Wilderness Preservation System as of the date of the enactment of this Act.

Subtitle B—Disposal of Public Lands

CHAPTER 1—DISPOSAL OF CERTAIN PUBLIC LANDS IN NEVADA

SEC. 6201. SHORT TITLE.

This chapter may be cited as the ''Northern Nevada Sustainable Development in Mining Act''.

SEC. 6202. DEFINITIONS.

In this chapter:

(1) CLAIMANT.—The term ''Claimant'' means Coeur Rochester, Inc.

(2) COUNTY.—The term ''County'' means Pershing County, Nevada.

(3) GENERAL MINING LAW.—The term ''general mining law'' means the provisions of law codified in chapters 2, 12, 12A, 15, and 16 of title 30, United States Code, and in sections 161 and 162 of such title.

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

SEC. 6203. LAND CONVEYANCE.

(a) CONVEYANCE OF LAND.—Notwithstanding any other provision of law, and not later than 90 days after the date of the enactment of this Act, the Secretary shall convey to the Claimant, in return for a payment of $500 per acre, all right, title, and interest, subject to the terms and conditions of subsection (c), in the approximately 7,000 acres of Federal lands subject to Claimant's mining claims maintained under the general mining law and depicted on the Rochester Sustainable Development Project map on file with the Committee on Resources of the House of Representatives.

(b) EXEMPTION FROM REVIEW, ETC.—Any conveyance of land under this chapter is not subject to review, consultation, or approval under any other Federal law.

(c) TERMS AND CONDITIONS OF CONVEYANCE.—

(1) NO IMPACT ON LEGAL OBLIGATIONS.—Conveyance of the lands pursuant to subsection (a) shall not affect Claimant's legal obligations to comply with applicable Federal mine closure or mine land reclamation laws, or with any other applicable Federal or State requirement relating to closure of the Rochester Mine and use of the land comprising such mine, including any requirement to prepare any environmental impact statement under the National Environmental Policy Act of 1969. Federal reclamation and closure obligations shall not be construed to require removal of infrastructure identified by Claimant as being usable by a post-mining land use.

(2) TITLE TO MATERIALS AND MINERALS.—Notwithstanding any other provision of law, Claimant shall own and have title to all spent ore, waste rock and tailings, and other materials located on lands conveyed pursuant to subsection (a).

(3) VALID EXISTING RIGHTS.—All lands conveyed pursuant to subsection (a) shall be subject to valid existing rights existing as of the date of transfer of title, and Claimant

shall succeed to the rights and obligations of the United States with respect to any mining claim, mill site claim, lease, right-of-way, permit, or other valid existing right to which the property is subject.

(4) ENVIRONMENTAL LIABILITY.—Notwithstanding any other Federal, State or local law, the United States shall not be responsible for—

(A) investigating or disclosing the condition of any property to be conveyed under this chapter; and

(B) environmental remediation, waste management, or environmental compliance activities arising from its ownership, occupancy, or management of land and interests therein conveyed under this chapter with respect to conditions existing at or on the land at the time of the conveyance.

SEC. 6204. DISPOSITION OF PROCEEDS.

The gross proceeds of conveyances of land under this chapter shall be used as follows:

(1) Such sums as are necessary shall be used to cover 100 percent of the administrative costs, not to exceed $20,000, incurred by the Nevada State Office and the Winnemucca Field Office of the Bureau of Land Management in conducting the conveyance under this chapter.

(2) $500,000 shall be paid directly to the State of Nevada for use in the State's abandoned mined land program.

(3) $100,000 shall be paid directly to Pershing County, Nevada.

(4) Proceeds remaining after the payments pursuant to paragraphs (1) through (3) shall be deposited in the general fund of the Treasury.

CHAPTER 2—DISPOSAL OF CERTAIN PUBLIC LANDS IN IDAHO

SEC. 6211. SHORT TITLE.

This chapter may be cited as the ''Central Idaho Sustainable Development in Mining Act''.

SEC. 6212. DEFINITIONS.

In this chapter:

(1) CLAIMANT.—The term ''Claimant'' means TDS LLC, an affiliated company of L&W Stone Corporation.

(2) COUNTY.—The term ''County'' means Custer County, Idaho.

(3) GENERAL MINING LAW.—The term ''general mining law'' means the provisions of law codified in chapters 2, 12A, 15, and 16 of title 30, United States Code, and in sections 161 and 162 of such title.

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

SEC. 6213. LAND CONVEYANCE.

(a) CONVEYANCE OF LAND.—Notwithstanding any other provision of law, and not later than 90 days after the date of the enactment of this Act, the Secretary shall convey to the Claimant, in return for a payment of $1,000 per acre, all right, title, and interest, subject to the terms and conditions of subsection (c), in the approximately 519.7 acres of Federal lands subject to Claimant's mining claims maintained under the general mining law and depicted as ''proposed land exchange alignment'' on the Central Idaho Sustainable Development Project map on file with the Committee on Resources of the House of Representatives.

(b) EXEMPTION FROM REVIEW, ETC.—Any conveyance of land under this chapter is not subject to review, consultation, or approval under any other Federal law.

(c) TERMS AND CONDITIONS OF CONVEYANCE.—

(1) TRANSFER OF FEE TITLE IN FEDERAL LANDS.—Notwithstanding any other provision of law, full fee title in approximately 519.7 acres of Federal lands described in subsection (a) shall be transferred to Claimant as depicted as ''proposed land exchange alignment'' on the Central Idaho Sustainable Development Project map.

(2) VALID EXISTING RIGHTS.—All lands conveyed pursuant to subsection (a) shall be subject to valid existing rights existing as of the date of transfer of title, and Claimant shall succeed to the rights and obligations of the United States with respect to any mining claim, mill site claim, lease, right-of-way, permit, or other valid existing right to which the property is subject.

(3) ENVIRONMENTAL LIABILITY.—Notwithstanding any other Federal, State, or local law, the United States shall not be responsible for—

(A) investigating or disclosing the condition of any property to be conveyed under this chapter; and

(B) environmental remediation, waste management, or environmental compliance activities arising from its ownership, occupancy, or management of land and interests therein conveyed under this chapter with respect to conditions existing at or on the land at the time of the conveyance.

SEC. 6214. DISPOSITION OF PROCEEDS.

Within one year of the completion of the conveyance under this chapter, the gross proceeds of the conveyance shall be used as follows:

(1) Such sums as are necessary shall be used to cover 100 percent of the administrative costs, not to exceed $15,000, incurred by the Idaho State Office and the Challis Field Office of the Bureau of Land Management in conducting conveyances under this chapter.

(2) $200,000 shall be paid directly to the State of Idaho for use in the State Parks program.

(3) $200,000 shall be paid directly to Custer County, Idaho.

(4) Proceeds remaining after the payments pursuant to paragraphs (1) through (3) shall be deposited in the general fund of the Treasury.

Subtitle C—Oil Shale

SEC. 6301. OIL SHALE AND TAR SANDS AMENDMENTS.

(a) COMMERCIAL LEASING OF OIL SHALE AND TAR SANDS.—Section 369(e) of the Energy Policy Act of 2005 (Public Law 109–58) is amended to read as follows:

''(e) COMMENCEMENT OF COMMERCIAL LEASING OF OIL SHALE AND TAR SAND.—Not later than 365 days after publication of the final regulation required by subsection (d), the Secretary shall hold the first oil shale and tar sands lease sales under the regulation, offering for lease a minimum of 35 percent of the Federal lands that are geologically prospective for oil shale and tar sands within Colorado, Utah, and Wyoming. The environmental impact statement developed in support of the commercial leasing program for oil shale and tar sands as required by subsection (c) is deemed to provide adequate environmental analysis for all oil shale and tar sands lease sales conducted within the first 10 years after promulgation of the regulation, and such sales shall not be subject to further environmental analysis.''.

(b) REPEAL OF REQUIREMENT TO ESTABLISH PAYMENTS.—Section 369(o) of the Energy Policy Act of 2005 (Public Law 109–58; 119 Stat. 728; 42 U.S.C. 15927) is repealed.

(c) TREATMENT OF REVENUES.—Section 21 of the Mineral Leasing Act (30 U.S.C. 241) is amended by adding at the end the following:

''(e) REVENUES.—

''(1) IN GENERAL.—Notwithstanding the provisions of section 35, all revenues received from and under an oil shale or tar sands lease shall be disposed of as provided in this subsection.

''(2) ROYALTY RATES FOR COMMERCIAL LEASES.—

''(A) INITIAL PRODUCTION.—For the first 10 years after initial production under each oil shale or tar sands lease issued under the commercial leasing program established under subsection (d), the Secretary shall set the royalty rate at not less than 1 percent nor more than 3 percent of the gross value of production. However, the initial production period royalty rate set by the Secretary shall not apply to production occurring more than 15 years after the date of issuance of the lease.

''(B) SUBSEQUENT PERIODS.—After the periods of time specified in subparagraph (A), the Secretary shall set the royalty rate on each oil shale or tar sands lease issued under the commercial leasing program established under subsection (d) at not less than 6 percent nor more than 9 percent of the gross value of production.

''(C) REDUCTION.—The Secretary shall reduce any royalty otherwise required to be paid under subparagraphs (A) and (B) under any oil shale or tar sands lease on a sliding scale based upon market price, with a 10 percent reduction if the monthly average price of NYMEX West Texas Intermediate crude oil at Cushing, Oklahoma, (WTI) drops below $50 (in 2005 dollars) for the month in which the production is sold, and an 80 percent reduction if the monthly average price of WTI drops below $30 (in 2005 dollars) for the month in which the production is sold.

''(3) DISPOSITION OF REVENUES.—

''(A) DEPOSIT.—The Secretary shall deposit into a separate account in the Treasury all revenues derived from any oil shale or tar sands lease.

''(B) ALLOCATIONS TO STATES AND LOCAL POLITICAL SUBDIVISIONS.—The Secretary shall allocate 50 percent of the revenues deposited into the account established under subparagraph (A) to the State within the boundaries of which the leased lands are located, with a portion of that to be paid directly by the Secretary to the State's local political subdivisions as provided in this paragraph.

''(C) TRANSMISSION OF ALLOCATIONS.—

''(i) IN GENERAL.—Not later than the last business day of the month after the month in which the revenues were received, the Secretary shall transmit—

''(I) to each State two-thirds of such State's allocations under subparagraph (B), and in accordance with clauses (ii) and (iii) to certain county-equivalent and municipal political subdivisions of such State a total of one-third of such State's allocations under subparagraph (B), together with all accrued interest thereon; and

''(II) the remaining balance of such revenues deposited into the account that are not allocated under subparagraph (B), together with interest thereon, shall be transmitted to the miscellaneous receipts account of the Treasury, except that until a lease has been in production for 10 years 80 percent of such remaining balance derived from a lease shall be paid in accordance with subclause (I).

''(ii) ALLOCATIONS TO CERTAIN COUNTY-EQUIVALENT POLITICAL SUBDIVISIONS.—The Secretary shall under clause (i)(I) make equitable allocations of the revenues to county-equivalent political subdivisions that the Secretary determines are closely associated with the leasing and production of oil shale and tar sands, under a formula that the Secretary shall determine by regulation.

''(iii) ALLOCATIONS TO MUNICIPAL POLITICAL SUBDIVISIONS.—The initial allocation to each county-equivalent political subdivision under clause (ii) shall be further allocated to the county-equivalent political subdivision and any municipal political subdivisions located partially or wholly within the boundaries of the county-equivalent political subdivision on an equitable basis under a formula that the Secretary shall determine by regulation.

''(D) INVESTMENT OF DEPOSITS.—The deposits in the Treasury account established under this section shall be invested by the Secretary of the Treasury in securities backed by the full faith and credit of the United States having maturities suitable to the needs of the account and yielding the highest reasonably available interest rates as determined by the Secretary of the Treasury.

''(E) USE OF FUNDS.—A recipient of funds under this subsection may use the funds for any lawful purpose as determined by State law. Funds allocated under this subsection to States and local political subdivisions may be used as matching funds for other Federal programs without limitation. Funds allocated to local political subdivisions under this subsection may not be used in calculation of payments to such local political subdivisions under programs for payments in lieu of taxes or other similar programs.

''(F) NO ACCOUNTING REQUIRED.—No recipient of funds under this subsection shall be required to account to the Federal Government for the expenditure of such funds, except as otherwise may be required by law.

''(4) DEFINITIONS.—In this subsection:

''(A) COUNTY-EQUIVALENT POLITICAL SUBDIVISION.—The term 'county-equivalent political subdivision' means a political jurisdiction immediately below the level of State government, including a county, parish, borough in Alaska, independent municipality not part of a county, parish, or borough in Alaska, or other equivalent subdivision of a State.

''(B) MUNICIPAL POLITICAL SUBDIVISION.—The term 'municipal political subdivision' means a municipality located within and part of a county, parish, borough in Alaska, or other equivalent subdivision of a State.''.

Subtitle D—Sale and Conveyance of Federal Land

SEC. 6401. COLLECTION OF RECEIPTS FROM THE SALE OF FEDERAL LANDS.

(a) IN GENERAL.—Notwithstanding any other law, the Secretary shall make the lands described in subsection (b) available for immediate sale through a competitive sale process at fair market value. Requirements under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) shall not apply to the sale of lands under this section.

(b) LANDS DESCRIBED.—The lands referred to in subsection (a) are the following:

(1) Poplar Point (Transfer and Conveyance of Properties in the District of Columbia, Map Number 869/80460, Dated July 2005, p. 28 of 28).

(2) U.S. Reservations 44, 45, 46, 47, 48 and 49 (Map Number 869/80460, Dated July 2005, p. 13 of 28).

(3) U.S. Reservation 251 (Map Number 869/80460, Dated July 2005, p. 14 of 28).

(4) U.S. Reservation 8 (Map Number 869/80460, Dated July 2005, p. 15 of 28).

(5) U.S. Reservation 17A (Map Number 869/80460, Dated July 2005, p. 20 of 28).

(6) U.S. Reservation 484 (Map Number 869/80460, Dated July 2005, p. 21 of 28).

(7) U.S. Reservation 721, 722 and 723 (Map Number 869/80460, Dated July 2005, p. 25 of 28).

(8) Certain land adjacent to Robert F. Kennedy Stadium Parking Lot (Transfer and Conveyance of Properties in the District of Columbia, Map Number 869/80460, Dated July 2005, p. 26 of 28).

(9) United States Reservation 243, 244, 245, and 247 (Transfer and Conveyance of Properties in the District of Columbia, Map Number 869/80460, Dated July 2005, p. 22 of 28).

The Secretary may retain from sale proceeds and spend without further appropriation up to $1,000,000 each year to implement land sales under this subsection, including hiring contractors and appraisers

(c) POPLAR POINT.—

(1) RETENTION OF FUNDS.—The Secretary may retain $10,000,000 from funds received from the sale of land under subsection (b)(1) and spend such funds without further appropriations for the purposes of complying with subparagraph (2).

(2) CONTINUITY OF OPERATION.—Before the sale and development of land referred to in subparagraph (b)(1), the Secretary shall ensure that the existing facilities and related properties (including necessary easements and utilities related thereto) occupied or otherwise used by the National Park Service are either withheld from any sale and remain in operation at its current location or will be relocated to suitable replacement facilities along the Anacostia River in the District of Columbia using funds made available by subparagraph (c)(1).

(d) CONVEYANCE OF LANDS TO THE DISTRICT OF COLUMBIA.—

(1) IN GENERAL.—Notwithstanding any other law, the Secretary shall immediately convey all right, title, and interest of the United States in the lands described in this subsection to the District of Columbia upon enactment of this section. Requirements under the National Environmental Policy Act (42 U.S.C. 4321 et seq.) shall not apply to the conveyance of lands under this subsection.

(2) LANDS DESCRIBED.—The lands referred to in this subsection are as follows:

(A) United States Reservation 128, 129, 130, 298 and 299 (Transfer and Conveyance of Properties in the District of Columbia, Map Number 869/80460, Dated July 2005, p. 23 of 28).

(B) United States Reservation 174 (Map Number 869/80460, Dated July 2005, p. 27 of 28).

(C) United States Reservation 277A and 277C (Map Number 869/80460, Dated July 2005, p. 16 of 28).

(D) United States Reservation 343D and 343E (Map Number 869/80460, Dated July 2005, p. 24 or 28).

(E) United States Reservation 404 (Map Number 869/80460, Dated July 2005, p. 12 of 28).

(F) United States Reservation 451 (Map Number 869/80460, Dated July 2005, p. 11 of 28).

(G) United States Reservation 470 (Transfer and Conveyance of Properties in the District of Columbia, Map Number 869/80460, Dated July 2005, p. 17 of 28).

(e) TRANSFER OF ADMINISTRATIVE JURISDICTION OVER CERTAIN PROPERTIES.—

(1) IN GENERAL.—Upon the date of the enactment of this subsection, administrative jurisdiction over each of the following properties (owned by the United States and as depicted on listed maps) is hereby transferred from the District of Columbia to the United States for administration by the Secretary of the Interior through the Director of the National Park Service:

(A) An unimproved portion of Audubon Terrace Northwest, located east of Linnean Avenue Northwest, that is within U.S. Reservation 402 (Audubon Terrace, NW, Transfer and Conveyance of Properties in the District of Columbia, Map Number 869/80460, Dated July 2005, p. 2 of 28) .

(B) An unimproved portion of Barnaby Street Northwest, north of Aberfoyle Place Northwest, that abuts U.S. Reservation 545 (Barnaby Avenue, NW, Map Number 869/80460, Dated July 2005, p. 3 of 28).

(C) A portion of Canal Street Southwest, and a portion of V Street Southwest, each which abuts U.S. Reservation (Canal and V Streets, SW, Map Number 869/80460, Dated July 2005, p. 3 of 28).

(D) Unimproved streets and alleys at Fort Circle Park located within the boundaries of U.S. Reservation 497 (Fort Circle Park, Map Number 869/80460, Dated July 2005, p. 5 of 28)''.

(E) An unimproved portion of Western Avenue Northwest, north of Oregon Avenue Northwest, that abuts U.S. Reservation 339 (Western Avenue, NW, Map Number 869/80460, Dated July 2005, p. 6 of 28).

(F) An unimproved portion of 17th Street Northwest, south of Shepard Street Northwest, that abuts U.S. Reservation 339 (17th Street, NW, Map Number 869/80460, Dated July 2005, p. 7 of 28).

(G) An unimproved portion of 30th Street Northwest, north of Broad Branch Road, Northwest, that is within the boundaries of U.S. Reservation 515 (30th Street, NW, Map Number 869/80460, Dated July 2005, p. 8 of 28).

(H) Land over I–395 at Washington Avenue, Southwest (Lands over I–395 at Washington Avenue, SW, Map Number 869/80460, Dated July 2005, p. 9 of 28).

(I) A portion of U.S. Reservation 357 at Whitehaven Parkway Northwest, previously transferred to the District of Columbia in conjunction with the former proposal for a residence for the Mayor of the District of Columbia (Portion of U.S. Reservation 357, Transfer and Conveyance of Properties in the District of Columbia, Map Number 869/80460, Dated July 2005, p. 10 of 28).

(2) USE OF CERTAIN PROPERTY FOR MEMORIAL.—In the case of the property for which administrative jurisdiction is transferred under paragraph (1)(H), the property shall be used as the site for the establishment of a memorial to honor disabled veterans of the United States Armed Forces authorized to be established by the Disabled Veterans' LIFE Memorial Foundation by Public Law 106–348 (114 Stat. 1358; 40 U.S.C. 8903 note), except that the District of Columbia shall retain administrative jurisdiction over the subsurface area beneath the site for tunnels, walls, footings, and related facilities.

TITLE VII—COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE

SEC. 7001. EXTENSION OF VESSEL TONNAGE DUTIES.

(a) EXTENSION OF DUTIES.—Section 36 of the Act entitled ''An Act to provide revenue, equalize duties and encourage the industries of the United States, and for other purposes'', approved August 5, 1909 (36 Stat. 111; 46 U.S.C. App. 121), is amended—

(1) by striking ''9 cents per ton'' and all that follows through ''2002,'' the first place it appears and inserting ''4.5 cents per ton, not to exceed in the aggregate 22.5 cents per ton in any one year, for fiscal years 2006 through 2010,''; and

(2) by striking ''27 cents per ton'' and all that follows through ''2002,'' and inserting ''13.5 cents per ton, not to exceed 67.5 cents per ton per annum, for fiscal years 2006 through 2010,''.

(b) CONFORMING AMENDMENT.—The Act entitled ''An Act concerning tonnage duties on vessels entering otherwise than by sea'', approved March 8, 1910 (36 Stat. 234; 46 U.S.C. App. 132), is amended by striking ''9 cents per ton'' and all that follows through ''and 2 cents'' and inserting ''4.5 cents per ton, not to exceed in the aggregate 22.5 cents per ton in any one year, for fiscal years 2006 through 2010, and 2 cents''.

(c) OFFSETTING RECEIPTS.—Increased tonnage charges collected as a result of the amendments made by subsection (a) shall be deposited in the general fund of the Treasury as offsetting receipts of the department in which the Coast Guard is operating and ascribed to Coast Guard activities related to marine safety, search and rescue, and aids to navigation.

TITLE VIII—COMMITTEE ON WAYS AND MEANS

SEC. 8001. SHORT TITLE.

This title may be cited as the ''Work, Marriage, and Family Promotion Reconciliation Act of 2005''.

SEC. 8002. TABLE OF CONTENTS.

The table of contents of this title is as follows:

Sec. 8001. Short title.
Sec. 8002. Table of contents.
Sec. 8003. References.
Sec. 8004. Findings.

Subtitle A—TANF

Sec. 8101. Purposes.
Sec. 8102. Family assistance grants.
Sec. 8103. Promotion of family formation and healthy marriage.
Sec. 8104. Supplemental grant for population increases in certain States.
Sec. 8105. Elimination of high performance bonus.
Sec. 8106. Contingency fund.
Sec. 8107. Use of funds.
Sec. 8108. Repeal of Federal loan for State welfare programs.
Sec. 8109. Universal engagement and family self-sufficiency plan requirements.
Sec. 8110. Work participation requirements.
Sec. 8111. Maintenance of effort.
Sec. 8112. Performance improvement.
Sec. 8113. Data collection and reporting.
Sec. 8114. Direct funding and administration by Indian tribes.
Sec. 8115. Research, evaluations, and national studies.
Sec. 8116. Study by the Census Bureau.
Sec. 8117. Definition of assistance.
Sec. 8118. Technical corrections.
Sec. 8119. Fatherhood program.
Sec. 8120. State option to make TANF programs mandatory partners with one-stop employment training centers.
Sec. 8121. Sense of the Congress.
Sec. 8122. Drug testing of applicants for and recipients of assistance.

Subtitle B—Child care

Sec. 8201. Entitlement funding.

Subtitle C—Child support

Sec. 8301. Federal matching funds for limited pass through of child support payments to families receiving TANF.
Sec. 8302. State option to pass through all child support payments to families that formerly received TANF.
Sec. 8303. Mandatory review and adjustment of child support orders for families receiving TANF.
Sec. 8304. Mandatory fee for successful child support collection for family that has never received TANF.
Sec. 8305. Report on undistributed child support payments.
Sec. 8306. Decrease in amount of child support arrearage triggering passport denial.
Sec. 8307. Use of tax refund intercept program to collect past-due child support on behalf of children who are not minors.
Sec. 8308. Garnishment of compensation paid to veterans for service-connected disabilities in order to enforce child support obligations.
Sec. 8309. Maintenance of technical assistance funding.
Sec. 8310. Maintenance of Federal Parent Locator Service funding.
Sec. 8311. Information comparisons with insurance data.
Sec. 8312. Tribal access to the Federal Parent Locator Service.
Sec. 8313. Reimbursement of Secretary's costs of information comparisons and disclosure for enforcement of obligations on Higher Education Act loans and grants.
Sec. 8314. Technical amendment relating to cooperative agreements between States and Indian tribes.
Sec. 8315. State option to use statewide automated data processing and information retrieval system for interstate cases.
Sec. 8316. Modification of rule requiring assignment of support rights as a condition of receiving TANF.
Sec. 8317. State option to discontinue certain support assignments.
Sec. 8318. Technical correction.
Sec. 8319. Reduction in rate of reimbursement of child support administrative expenses.
Sec. 8320. Incentive payments.

Subtitle D—Child welfare

Sec. 8401. Extension of authority to approve demonstration projects.
Sec. 8402. Elimination of limitation on number of waivers.
Sec. 8403. Elimination of limitation on number of States that may be granted waivers to conduct demonstration projects on same topic.
Sec. 8404. Elimination of limitation on number of waivers that may be granted to a single State for demonstration projects.
Sec. 8405. Streamlined process for consideration of amendments to and extensions of demonstration projects requiring waivers.
Sec. 8406. Availability of reports.
Sec. 8407. Clarification of eligibility for foster care maintenance payments and adoption assistance.
Sec. 8408. Clarification regarding Federal matching of certain administrative costs under the foster care maintenance payments program.
Sec. 8409. Technical correction.
Sec. 8410. Technical correction.

Subtitle E—Supplemental security income

Sec. 8501. Review of State agency blindness and disability determinations.
Sec. 8502. Payment of certain lump sum benefits in installments under the Supplemental Security Income program.

Subtitle F—State and local flexibility

Sec. 8601. Program coordination demonstration projects.

Subtitle G—Repeal of continued dumping and subsidy offset

Sec. 8701. Repeal of continued dumping and subsidy offset.

Subtitle H—Effective date

Sec. 8801. Effective date.

SEC. 8003. REFERENCES.

Except as otherwise expressly provided, wherever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the amendment or repeal shall be considered to be made to a section or other provision of the Social Security Act.

SEC. 8004. FINDINGS.

The Congress makes the following findings:

(1) The Temporary Assistance for Needy Families (TANF) Program established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) has succeeded in moving families from welfare to work and reducing child poverty.

(A) There has been a dramatic increase in the employment of current and former welfare recipients. The percentage of working recipients reached an all-time high in fiscal year 1999 and continued steady in fiscal years 2000 and 2001. In fiscal year 2003, 31.3 percent of adult recipients were counted as meeting the work participation requirements. All States but one met the overall participation rate standard in fiscal year 2003, as did the District of Columbia and Puerto Rico.

(B) Earnings for welfare recipients remaining on the rolls have also increased significantly, as have earnings for female-headed households. The increases have been particularly large for the bottom 2 income quintiles, that is, those women who are most likely to be former or present welfare recipients.

(C) Welfare dependency has plummeted. As of June 2004, 1,969,909 families and 4,727,291 individuals were receiving assistance. Accordingly, the number of families in the welfare caseload and the number of individuals receiving cash assistance declined 55 percent and 61 percent, respectively, since the enactment of TANF.

(D) The child poverty rate continued to decline between 1996 and 2003, falling 14 percent from 20.5 to 17.6 percent. Child poverty rates for African-American and Hispanic children have also fallen dramatically during the past 7 years.

(2) As a Nation, we have made substantial progress in reducing teen pregnancies and births, slowing increases in nonmarital childbearing, and improving child support collections and paternity establishment.

(A) The birth rate to teenagers declined 30 percent from its high in 1991 to 2002. The 2002 teenage birth rate of 43.0 per 1,000 women aged 15–19 is the lowest recorded birth rate for teenagers.

(B) During the period from 1991 through 2001, teenage birth rates fell in all States and the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. Declines also have spanned age, racial, and ethnic groups. There has been success in lowering the birth rate for both younger and older teens. The birth rate for those 15–17 years of age has declined 40 percent since 1991, and the rate for those 18 and 19 has declined 23 percent. The rate for African American teens—until recently the highest—has declined the most—42 percent from 1991 through 2002.

(C) Since the enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, child support collections within the child support enforcement system have grown every year, increasing from $12,000,000,000 in fiscal year 1996 to over $21,000,000,000 in fiscal year 2003. The number of paternities established or acknowledged in fiscal year 2003 (over 1,500,000) includes a more than 100 percent increase through in-hospital acknowledgement programs—862,043 in 2003 compared to 324,652 in 1996. Child support collections were made in nearly 8,000,000 cases in fiscal year 2003, significantly more than the almost 4,000,000 cases having a collection in 1996.

(3) The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 gave States great flexibility in the use of Federal funds to develop innovative programs to help families leave welfare and begin employment and to encourage the formation of 2-parent families.

(A) Total Federal and State TANF expenditures in fiscal year 2003 were $26,300,000,000, up from $25,400,000,000 in fiscal year 2002 and $22,600,000,000 in fiscal year 1999. This increased spending is attributable to significant new investments in supportive services in the TANF program, such as child care and activities to support work.

(B) Since the welfare reform effort began there has been a dramatic increase in work participation (including employment, community service, and work experience) among welfare recipients, as well as an unprecedented reduction in the caseload because recipients have left welfare for work.

(C) States are making policy choices and investment decisions best suited to the needs of their citizens.

(i) To expand aid to working families, almost all States disregard a portion of a family's earned income when determining benefit levels.

(ii) Most States increased the limits on countable assets above the former Aid to Families with Dependent Children (AFDC) program. Every State has increased the vehicle asset level above the prior AFDC limit for a family's primary automobile.

(iii) States are experimenting with programs to promote marriage and paternal involvement. Over half of the States have eliminated restrictions on 2-parent families. Many States use TANF, child support, or State funds to support community-based activities to help fathers become more involved in their children's lives or strengthen relationships between mothers and fathers.

(4) However, despite this success, there is still progress to be made. Policies that support and promote more work, strengthen families, and enhance State flexibility are necessary to continue to build on the success of welfare reform.

(A) Significant numbers of welfare recipients still are not engaged in employment-related activities. While all States have met the overall work participation rates required by law, in an average month, only 41 percent of all families with an adult participated in work activities that were countable toward the State's participation rate. In fiscal year 2003, four jurisdictions failed to meet the more rigorous 2-parent work requirements, and 25 jurisdictions (States and territories) are not subject to the 2-parent requirements, most because they moved their 2-parent cases to separate State programs where they are not subject to a penalty for failing the 2-parent rates.

(B) In 2002, 34 percent of all births in the U.S. were to unmarried women. And, with fewer teens entering marriage, the proportion of births to unmarried teens has increased dramatically (80 percent in 2002 versus 30 percent in 1970). The negative consequences of out-of-wedlock birth on the mother, the child, the family, and society are well documented. These include increased likelihood of welfare dependency, increased risks of low birth weight, poor cognitive development, child abuse and neglect, and teen parenthood, and decreased likelihood of having an intact marriage during adulthood.

(C) There has been a dramatic rise in cohabitation as marriages have declined. It is estimated that 40 percent of children are expected to live in a cohabiting-parent family at some point during their childhood. Children in single-parent households and cohabiting-parent households are at much higher risk of child abuse than children in intact married families.

(D) Children who live apart from their biological fathers, on average, are more likely to be poor, experience educational, health, emotional, and psychological problems, be victims of child abuse, engage in criminal behavior, and become involved with the juvenile justice system than their peers who live with their married, biological mother and father. A child living with a single mother is nearly 5 times as likely to be poor as a child living in a married-couple family. In 2003, in married-couple families, the child poverty rate was 8.6 percent, and in households headed by a single mother the poverty rate was 41.7 percent.

(5) Therefore, it is the sense of the Congress that increasing success in moving families from welfare to work, as well as in promoting healthy marriage and other means of improving child well-being, are very important Government interests and the policy contained in part A of title IV of the Social Security Act (as amended by this title) is intended to serve those ends.

Subtitle A—TANF

SEC. 8101. PURPOSES.

Section 401(a) (42 U.S.C. 601(a)) is amended—

(1) in the matter preceding paragraph (1), by striking ''increase'' and inserting ''improve child well-being by increasing'';

(2) in paragraph (1), by inserting ''and services'' after ''assistance'';

(3) in paragraph (2), by striking ''parents on government benefits'' and inserting ''families on government benefits and reduce poverty''; and

(4) in paragraph (4), by striking ''two-parent families'' and inserting ''healthy, 2-parent married families, and encourage responsible fatherhood''.

SEC. 8102. FAMILY ASSISTANCE GRANTS.

(a) EXTENSION OF AUTHORITY.—Section 403(a)(1)(A) (42 U.S.C. 603(a)(1)(A)) is amended—

(1) by striking ''1996, 1997, 1998, 1999, 2000, 2001, 2002, and 2003'' and inserting ''2006 through 2010''; and

(2) by inserting ''payable to the State for the fiscal year'' before the period.

(b) STATE FAMILY ASSISTANCE GRANT.—Section 403(a)(1)(C) (42 U.S.C. 603(a)(1)(C)) is amended by striking ''fiscal year 2003'' and inserting ''each of fiscal years 2006 through 2010''.

(c) MATCHING GRANTS FOR THE TERRITORIES.—Section 1108(b)(2) (42 U.S.C. 1308(b)(2)) is amended by striking ''1997 through 2003'' and inserting ''2006 through 2010''.

SEC. 8103. PROMOTION OF FAMILY FORMATION AND HEALTHY MARRIAGE.

(a) STATE PLANS.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by adding at the end the following:

''(vii) Encourage equitable treatment of married, 2-parent families under the program referred to in clause (i).''.

(b) HEALTHY MARRIAGE PROMOTION GRANTS; REPEAL OF BONUS FOR REDUCTION OF ILLEGITIMACY RATIO.—Section 403(a)(2) (42 U.S.C. 603(a)(2)) is amended to read as follows:

''(2) HEALTHY MARRIAGE PROMOTION GRANTS.—

''(A) AUTHORITY.—The Secretary shall award competitive grants to States, territories, and tribal organizations for not more than 50 percent of the cost of developing and implementing innovative programs to promote and support healthy, married, 2-parent families.

''(B) HEALTHY MARRIAGE PROMOTION ACTIVITIES.—Funds provided under subparagraph (A) shall be used to support any of the following programs or activities:

''(i) Public advertising campaigns on the value of marriage and the skills needed to increase marital stability and health.

''(ii) Education in high schools on the value of marriage, relationship skills, and budgeting.

''(iii) Marriage education, marriage skills, and relationship skills programs, that may include parenting skills, financial management, conflict resolution, and job and career advancement, for non-married pregnant women and non-married expectant fathers.

''(iv) Pre-marital education and marriage skills training for engaged couples and for couples or individuals interested in marriage.

''(v) Marriage enhancement and marriage skills training programs for married couples.

''(vi) Divorce reduction programs that teach relationship skills.

''(vii) Marriage mentoring programs which use married couples as role models and mentors in at-risk communities.

''(viii) Programs to reduce the disincentives to marriage in means-tested aid programs, if offered in conjunction with any activity described in this subparagraph.

''(C) VOLUNTARY PARTICIPATION.—

''(i) IN GENERAL.—Participation in a program or activity described in any of clauses (iii) through (viii) of subparagraph (B) shall be voluntary.

''(ii) REQUIREMENTS FOR RECEIPT OF FUNDS.—The Secretary may not award a grant under this paragraph to an applicant for the grant, unless—

''(I) the application for the grant describes—

''(aa) how the programs or activities proposed in the application will address, as appropriate, issues of domestic violence; and

''(bb) what the applicant will do, to the extent relevant, to ensure that participation in the programs or activities is voluntary, and to inform potential participants that their participation is voluntary; and

''(II) the applicant agrees that, as a condition of receipt of the grant, the applicant will consult with experts in domestic violence or relevant community domestic violence coalitions in developing the programs and activities funded with the grant.

''(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for each of fiscal years 2006 through 2010 $100,000,000 for grants under this paragraph.''.

(c) COUNTING OF SPENDING ON NON-ELIGIBLE FAMILIES TO PREVENT AND REDUCE INCIDENCE OF OUT-OF-WEDLOCK BIRTHS, ENCOURAGE FORMATION AND MAINTENANCE OF HEALTHY, 2-PARENT MARRIED FAMILIES, OR ENCOURAGE RESPONSIBLE FATHERHOOD.—Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)) is amended by adding at the end the following:

''(V) COUNTING OF SPENDING ON NON-ELIGIBLE FAMILIES TO PREVENT AND REDUCE INCIDENCE OF OUT-OF-WEDLOCK BIRTHS, ENCOURAGE FORMATION AND MAINTENANCE OF HEALTHY, 2-PARENT MARRIED FAMILIES, OR ENCOURAGE RESPONSIBLE FATHERHOOD.—The term 'qualified State expenditures' includes the total expenditures by the State during the fiscal year under all State programs for a purpose described in paragraph (3) or (4) of section 401(a).''.

SEC. 8104. SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.

Section 403(a)(3) (42 U.S.C. 603(a)(3)) is amended—

(1) in subparagraph (E)—

(A) by striking ''1998, 1999, 2000, and 2001'' and inserting ''2006 through 2009''; and

(B) by striking '', in a total amount not to exceed $800,000,000'';

(2) in subparagraph (G), by striking ''2001'' and inserting ''2009''; and

(3) by striking subparagraph (H) and inserting the following:

''(H) FURTHER PRESERVATION OF GRANT AMOUNTS.—A State that was a qualifying State under this paragraph for fiscal year 2004 or any prior fiscal year shall be entitled to receive from the Secretary for each of fiscal years 2006 through 2009 a grant in an amount equal to the amount required to be paid to the State under this paragraph for the most recent fiscal year for which the State was a qualifying State.''.

SEC. 8105. ELIMINATION OF HIGH PERFORMANCE BONUS.

Section 403(a) (42 U.S.C. 603(a)) is amended by striking paragraph (4).

SEC. 8106. CONTINGENCY FUND.

(a) DEPOSITS INTO FUND.—Section 403(b)(2) (42 U.S.C. 603(b)(2)) is amended—

(1) by striking ''1997, 1998, 1999, 2000, 2001, 2002, and 2003'' and inserting ''2006 through 2010''; and

(2) by striking all that follows ''$2,000,000,000'' and inserting a period.

(b) GRANTS.—Section 403(b)(3)(C)(ii) (42 U.S.C. 603(b)(3)(C)(ii)) is amended by striking ''fiscal years 1997 through 2006'' and inserting ''fiscal years 2006 through 2010''.

(c) DEFINITION OF NEEDY STATE.—Clauses (i) and (ii) of section 403(b)(5)(B) (42 U.S.C. 603(b)(5)(B)) are amended by inserting after ''1996'' the following: ''and the Food Stamp Act of 1977 as in effect during the corresponding 3-month period in the fiscal year preceding such most recently concluded 3-month period''.

(d) ANNUAL RECONCILIATION: FEDERAL MATCHING OF STATE EXPENDITURES ABOVE ''MAINTENANCE OF EFFORT'' LEVEL.—Section 403(b)(6) (42 U.S.C. 603(b)(6)) is amended—

(1) in subparagraph (A)(ii)—

(A) by adding ''and'' at the end of subclause (I);

(B) by striking ''; and'' at the end of subclause (II) and inserting a period; and

(C) by striking subclause (III);

(2) in subparagraph (B)(i)(II), by striking all that follows ''section 409(a)(7)(B)(iii))'' and inserting a period;

(3) by amending subparagraph (B)(ii)(I) to read as follows:

''(I) the qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for the fiscal year; plus''; and

(4) by striking subparagraph (C).

(e) CONSIDERATION OF CERTAIN CHILD CARE EXPENDITURES IN DETERMINING STATE COMPLIANCE WITH CONTINGENCY FUND MAINTENANCE OF EFFORT REQUIREMENT.—Section 409(a)(10) (42 U.S.C. 609(a)(10)) is amended—

(1) by striking ''(other than the expenditures described in subclause (I)(bb) of that paragraph)) under the State program funded under this part'' and inserting a close parenthesis; and

(2) by striking ''excluding any amount expended by the State for child care under subsection (g) or (i) of section 402 (as in effect during fiscal year 1994) for fiscal year 1994,''.

(f) EFFECTIVE DATE.—The amendments made by subsections (c), (d), and (e) shall take effect on October 1, 2007.

SEC. 8107. USE OF FUNDS.

(a) GENERAL RULES.—Section 404(a)(2) (42 U.S.C. 604(a)(2)) is amended by striking ''in any manner that'' and inserting ''for any purposes or activities for which''.

(b) TREATMENT OF INTERSTATE IMMIGRANTS.—

(1) STATE PLAN PROVISION.—Section 402(a)(1)(B) (42 U.S.C. 602(a)(1)(B)) is amended by striking clause (i) and redesignating clauses (ii) through (iv) as clauses (i) through (iii), respectively.

(2) USE OF FUNDS.—Section 404 (42 U.S.C. 604) is amended by striking subsection (c).

(c) INCREASE IN AMOUNT TRANSFERABLE TO CHILD CARE.—Section 404(d)(1) (42 U.S.C. 604(d)(1)) is amended by striking ''30'' and inserting ''50''.

(d) INCREASE IN AMOUNT TRANSFERABLE TO TITLE XX PROGRAMS.—Section 404(d)(2)(B) (42 U.S.C. 604(d)(2)(B)) is amended to read as follows:

''(B) APPLICABLE PERCENT.—For purposes of subparagraph (A), the applicable percent is 10 percent for fiscal year 2006 and each succeeding fiscal year.''.

(e) CLARIFICATION OF AUTHORITY OF STATES TO USE TANF FUNDS CARRIED OVER FROM PRIOR YEARS TO PROVIDE TANF BENEFITS AND SERVICES.—Section 404(e) (42 U.S.C. 604(e)) is amended to read as follows:

''(e) AUTHORITY TO CARRYOVER OR RESERVE CERTAIN AMOUNTS FOR BENEFITS OR SERVICES OR FOR FUTURE CONTINGENCIES.—

''(1) CARRYOVER.—A State or tribe may use a grant made to the State or tribe under this part for any fiscal year to provide, without fiscal year limitation, any benefit or service that may be provided under the State or tribal program funded under this part.

''(2) CONTINGENCY RESERVE.—A State or tribe may designate any portion of a grant made to the State or tribe under this part as a contingency reserve for future needs, and may use any amount so designated to provide, without fiscal year limitation, any benefit or service that may be provided under the State or tribal program funded under this part. If a State or tribe so designates a portion of such a grant, the State shall, on an annual basis, include in its report under section 411(a) the amount so designated.''.

SEC. 8108. REPEAL OF FEDERAL LOAN FOR STATE WELFARE PROGRAMS.

(a) REPEAL.—Effective as of October 1, 2006, section 406 (42 U.S.C. 606) is repealed.

(b) CONFORMING AMENDMENTS.—

(1) Section 409(a) (42 U.S.C. 609(a)) is amended by striking paragraph (6).

(2) Section 412 (42 U.S.C. 612) is amended by striking subsection (f) and redesignating subsections (g) through (i) as subsections (f) through (h), respectively.

(3) Section 1108(a)(2) (42 U.S.C. 1308(a)(2)) is amended by striking ''406,''.

SEC. 8109. UNIVERSAL ENGAGEMENT AND FAMILY SELF-SUFFICIENCY PLAN REQUIREMENTS.

(a) MODIFICATION OF STATE PLAN REQUIREMENTS.—Section 402(a)(1)(A) (42 U.S.C. 602(a)(1)(A)) is amended by striking clauses (ii) and (iii) and inserting the following:

''(ii) Require a parent or caretaker receiving assistance under the program to engage in work or alternative self-sufficiency activities (as defined by the State), consistent with section 407(e)(2).

''(iii) Require families receiving assistance under the program to engage in activities in accordance with family self-sufficiency plans developed pursuant to section 408(b).''.

(b) ESTABLISHMENT OF FAMILY SELF-SUFFICIENCY PLANS.—

(1) IN GENERAL.—Section 408(b) (42 U.S.C. 608(b)) is amended to read as follows:

''(b) FAMILY SELF-SUFFICIENCY PLANS.—

''(1) IN GENERAL.—A State to which a grant is made under section 403 shall—

''(A) assess, in the manner deemed appropriate by the State, the skills, prior work experience, and employability of each work-eligible individual (as defined in section 407(b)(2)(C)) receiving assistance under the State program funded under this part;

''(B) establish for each family that includes such an individual, in consultation as the State deems appropriate with the individual, a self-sufficiency plan that specifies appropriate activities described in the State plan submitted pursuant to section 402, including direct work activities as appropriate designed to assist the family in achieving their maximum degree of self-sufficiency, and that provides for the ongoing participation of the individual in the activities;

''(C) require, at a minimum, each such individual to participate in activities in accordance with the self-sufficiency plan;

''(D) monitor the participation of each such individual in the activities specified in the self-sufficiency plan, and regularly review the progress of the family toward self-sufficiency;

''(E) upon such a review, revise the self-sufficiency plan and activities as the State deems appropriate.

''(2) TIMING.—The State shall comply with paragraph (1) with respect to a family—

''(A) in the case of a family that, as of October 1, 2005, is not receiving assistance from the State program funded under this part, not later than 60 days after the family first receives assistance on the basis of the most recent application for the assistance; or

''(B) in the case of a family that, as of such date, is receiving the assistance, not later than 12 months after the date of enactment of this subsection.

''(3) STATE DISCRETION.—A State shall have sole discretion, consistent with section 407, to define and design activities for families for purposes of this subsection, to develop methods for monitoring and reviewing progress pursuant to this subsection, and to make modifications to the plan as the State deems appropriate to assist the individual in increasing their degree of self-sufficiency.

''(4) RULE OF INTERPRETATION.—Nothing in this part shall preclude a State from—

''(A) requiring participation in work and any other activities the State deems appropriate for helping families achieve self-sufficiency and improving child well-being; or

''(B) using job search or other appropriate job readiness or work activities to assess the employability of individuals and to determine appropriate future engagement activities.''.

(2) PENALTY FOR FAILURE TO ESTABLISH FAMILY SELF-SUFFICIENCY PLAN.—Section 409(a)(3) (42 U.S.C. 609(a)(3)) is amended—

(A) in the paragraph heading, by inserting ''OR ESTABLISH FAMILY SELF-SUFFICIENCY PLAN'' after ''RATES''; and

(B) in subparagraph (A), by inserting ''or 408(b)'' after ''407(a)''.

SEC. 8110. WORK PARTICIPATION REQUIREMENTS.

(a) IN GENERAL.—Section 407 (42 U.S.C. 607) is amended by striking all that precedes subsection (b)(3) and inserting the following:

''SEC. 407. WORK PARTICIPATION REQUIREMENTS.

''(a) PARTICIPATION RATE REQUIREMENTS.—A State to which a grant is made under section 403 for a fiscal year shall achieve a minimum participation rate equal to not less than—

''(1) 50 percent for fiscal year 2006;

''(2) 55 percent for fiscal year 2007;

''(3) 60 percent for fiscal year 2008;

''(4) 65 percent for fiscal year 2009; and

''(5) 70 percent for fiscal year 2010 and each succeeding fiscal year.

''(b) CALCULATION OF PARTICIPATION RATES.—

''(1) AVERAGE MONTHLY RATE.—For purposes of subsection (a), the participation rate of a State for a fiscal year is the average of the participation rates of the State for each month in the fiscal year.

''(2) MONTHLY PARTICIPATION RATES; INCORPORATION OF 40-HOUR WORK WEEK STANDARD.—

''(A) IN GENERAL.—For purposes of paragraph (1), the participation rate of a State for a month is—

''(i) the total number of countable hours (as defined in subsection (c)) with respect to the counted families for the State for the month; divided by

''(ii) 160 multiplied by the number of counted families for the State for the month.

''(B) COUNTED FAMILIES DEFINED.—

''(i) IN GENERAL.—In subparagraph (A), the term 'counted family' means, with respect to a State and a month, a family that includes a work-eligible individual and that receives assistance in the month under the State program funded under this part, subject to clause (ii).

''(ii) STATE OPTION TO EXCLUDE CERTAIN FAMILIES.—At the option of a State, the term 'counted family' shall not include—

''(I) a family in the first month for which the family receives assistance from a State program funded under this part on the basis of the most recent application for such assistance;

''(II) on a case-by-case basis, a family in which the youngest child has not attained 12 months of age; or

''(III) a family that is subject to a sanction under this part or part D, but that has not been subject to such a sanction for more than 3 months (whether or not consecutive) in the preceding 12-month period.

''(iii) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN OR TRIBAL WORK PROGRAM.—At the option of a State, the term 'counted family' may include families in the State that are receiving assistance under a tribal family assistance plan approved under section 412 or under a tribal work program to which funds are provided under this part.

''(C) WORK-ELIGIBLE INDIVIDUAL DEFINED.—In this section, the term 'work-eligible individual' means an individual—

''(i) who is married or a single head of household; and

''(ii) whose needs are (or, but for sanctions under this part or part D, would be) included in determining the amount of cash assistance to be provided to the family under the State program funded under this part.''.

(b) RECALIBRATION OF CASELOAD REDUCTION CREDIT.—

(1) IN GENERAL.—Section 407(b)(3)(A)(ii) (42 U.S.C. 607(b)(3)(A)(ii)) is amended to read as follows:

''(ii) the average monthly number of families that received assistance under the State program funded under this part during the base year.''.

(2) CONFORMING AMENDMENT.—Section 407(b)(3)(B) (42 U.S.C. 607(b)(3)(B)) is amended by striking ''and eligibility criteria'' and all that follows through the close parenthesis and inserting ''and the eligibility criteria in effect during the then applicable base year''.

(3) BASE YEAR DEFINED.—Section 407(b)(3) (42 U.S.C. 607(b)(3)) is amended by adding at the end the following:

''(C) BASE YEAR DEFINED.—In this paragraph, the term 'base year' means, with respect to a fiscal year—

''(i) if the fiscal year is fiscal year 2006, fiscal year 1996;

''(ii) if the fiscal year is fiscal year 2007, fiscal year 1998;

''(iii) if the fiscal year is fiscal year 2008, fiscal year 2001; or

''(iv) if the fiscal year is fiscal year 2009 or any succeeding fiscal year, the then 4th preceding fiscal year.''.

(c) SUPERACHIEVER CREDIT.—Section 407(b) (42 U.S.C. 607(b)) is amended by striking paragraphs (4) and (5) and inserting the following:

''(4) SUPERACHIEVER CREDIT.—

''(A) IN GENERAL.—The participation rate, determined under paragraphs (1) and (2) of this subsection, of a superachiever State for a fiscal year shall be increased by the lesser of—

''(i) the amount (if any) of the superachiever credit applicable to the State; or

''(ii) the number of percentage points (if any) by which the minimum participation rate required by subsection (a) for the fiscal year exceeds 50 percent.

''(B) SUPERACHIEVER STATE.—For purposes of subparagraph (A), a State is a superachiever State if the State caseload for fiscal year 2001 has declined by at least 60 percent from the State caseload for fiscal year 1995.

''(C) AMOUNT OF CREDIT.—The superachiever credit applicable to a State is the number of percentage points (if any) by which the decline referred to in subparagraph (B) exceeds 60 percent.

''(D) DEFINITIONS.—In this paragraph:

''(i) STATE CASELOAD FOR FISCAL YEAR 2001.—The term 'State caseload for fiscal year 2001' means the average monthly number of families that received assistance during fiscal year 2001 under the State program funded under this part.

''(ii) STATE CASELOAD FOR FISCAL YEAR 1995.—The term 'State caseload for fiscal year 1995' means the average monthly number of families that received aid under the State plan approved under part A (as in effect on September 30, 1995) during fiscal year 1995.''.

(d) COUNTABLE HOURS.—Section 407 (42 U.S.C. 607) is amended by striking subsections (c) and (d) and inserting the following:

''(c) COUNTABLE HOURS.—

''(1) DEFINITION.—In subsection (b)(2), the term 'countable hours' means, with respect to a family for a month, the total number of hours in the month in which any member of the family who is a work-eligible individual is engaged in a direct work activity or other activities specified by the State (excluding an activity that does not address a purpose specified in section 401(a)), subject to the other provisions of this subsection.

''(2) LIMITATIONS.—Subject to such regulations as the Secretary may prescribe:

''(A) MINIMUM WEEKLY AVERAGE OF 24 HOURS OF DIRECT WORK ACTIVITIES REQUIRED.—If the work-eligible individuals in a family are engaged in a direct work activity for an average total of fewer than 24 hours per week in a month, then the number of countable hours with respect to the family for the month shall be zero.

''(B) MAXIMUM WEEKLY AVERAGE OF 16 HOURS OF OTHER ACTIVITIES.—An average of not more than 16 hours per week of activities specified by the State (subject to the exclusion described in paragraph (1)) may be considered countable hours in a month with respect to a family.

''(3) SPECIAL RULES.—For purposes of paragraph (1):

''(A) PARTICIPATION IN QUALIFIED ACTIVITIES.—

''(i) IN GENERAL.—If, with the approval of the State, the work-eligible individuals in a family are engaged in 1 or more qualified activities for an average total of at least 24 hours per week in a month, then all such engagement in the month shall be considered engagement in a direct work activity, subject to clause (iii).

''(ii) QUALIFIED ACTIVITY DEFINED.—The term 'qualified activity' means an activity specified by the State (subject to the exclusion described in paragraph (1)) that meets such standards and criteria as the State may specify, including—

''(I) substance abuse counseling or treatment;

''(II) rehabilitation treatment and services;

''(III) work-related education or training directed at enabling the family member to work;

''(IV) job search or job readiness assistance; and

''(V) any other activity that addresses a purpose specified in section 401(a).

''(iii) LIMITATION.—

''(I) IN GENERAL.—Except as provided in subclause (II), clause (i) shall not apply to a family for more than 3 months in any period of 24 consecutive months.

''(II) SPECIAL RULE APPLICABLE TO EDUCATION AND TRAINING.—A State may, on a case-by-case basis, apply clause (i) to a work-eligible individual so that participation by the individual in education or training, if needed to permit the individual to complete a certificate program or other work-related education or training directed at enabling the individual to fill a known job need in a local area, may be considered countable hours with respect to the family of the individual for not more than 4 months in any period of 24 consecutive months.

''(B) SCHOOL ATTENDANCE BY TEEN HEAD OF HOUSEHOLD.—The work-eligible members of a family shall be considered to be engaged in a direct work activity for an average of 40 hours per week in a month if the family includes an individual who is married, or is a single head of household, who has not attained 20 years of age, and the individual—

''(i) maintains satisfactory attendance at secondary school or the equivalent in the month; or

''(ii) participates in education directly related to employment for an average of at least 20 hours per week in the month.

''(d) DIRECT WORK ACTIVITY.—In this section, the term 'direct work activity' means—

''(1) unsubsidized employment;

''(2) subsidized private sector employment;

''(3) subsidized public sector employment;

''(4) on-the-job training;

''(5) supervised work experience; or

''(6) supervised community service.''.

(e) PENALTIES AGAINST INDIVIDUALS.—Section 407(e)(1) (42 U.S.C. 607(e)(1)) is amended to read as follows:

''(1) REDUCTION OR TERMINATION OF ASSISTANCE.—

''(A) IN GENERAL.—Except as provided in paragraph (2), if an individual in a family receiving assistance under a State program funded under this part fails to engage in activities required in accordance with this section, or other activities required by the State under the program, and the family does not otherwise engage in activities in accordance with the self-sufficiency plan established for the family pursuant to section 408(b), the State shall—

''(i) if the failure is partial or persists for not more than 1 month—

''(I) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the failure occurs; or

''(II) terminate all assistance to the family, subject to such good cause exceptions as the State may establish; or

''(ii) if the failure is total and persists for at least 2 consecutive months, terminate all cash payments to the family including qualified State expenditures (as defined in section 409(a)(7)(B)(i)) for at least 1 month and thereafter until the State determines that the individual has resumed full participation in the activities, subject to such good cause exceptions as the State may establish.

''(B) SPECIAL RULE.—

''(i) IN GENERAL.—In the event of a conflict between a requirement of clause (i)(II) or (ii) of subparagraph (A) and a requirement of a State constitution, or of a State statute that, before 1966, obligated local government to provide assistance to needy parents and children, the State constitutional or statutory requirement shall control.

''(ii) LIMITATION.—Clause (i) of this subparagraph shall not apply after the 1-year period that begins with the date of the enactment of this subparagraph.''.

(f) CONFORMING AMENDMENTS.—

(1) Section 407(f) (42 U.S.C. 607(f)) is amended in each of paragraphs (1) and (2) by striking ''work activity described in subsection (d)'' and inserting ''direct work activity''.

(2) The heading of section 409(a)(14) (42 U.S.C. 609(a)(14)) is amended by inserting ''OR REFUSING TO ENGAGE IN ACTIVITIES UNDER A FAMILY SELF-SUFFICIENCY PLAN'' after ''WORK''.

SEC. 8111. MAINTENANCE OF EFFORT.

(a) IN GENERAL.—Section 409(a)(7) (42 U.S.C. 609(a)(7)) is amended—

(1) in subparagraph (A), by striking ''fiscal year 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, or 2007'' and inserting ''fiscal year 2006, 2007, 2008, 2009, 2010, or 2011''; and

(2) in subparagraph (B)(ii)—

(A) by inserting ''preceding'' before ''fiscal year''; and

(B) by striking ''for fiscal years 1997 through 2006,''.

(b) STATE SPENDING ON PROMOTING HEALTHY MARRIAGE.—

(1) IN GENERAL.—Section 404 (42 U.S.C. 604) is amended by adding at the end the following:

''(l) MARRIAGE PROMOTION.—A State, territory, or tribal organization to which a grant is made under section 403(a)(2) may use a grant made to the State, territory, or tribe under any other provision of section 403 for marriage promotion activities, and the amount of any such grant so used shall be considered State funds for purposes of section 403(a)(2).''.

(2) FEDERAL TANF FUNDS USED FOR MARRIAGE PROMOTION DISREGARDED FOR PURPOSES OF MAINTENANCE OF EFFORT REQUIREMENT.—Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)), as amended by section 8103(c) of this Act, is amended by adding at the end the following:

''(VI) EXCLUSION OF FEDERAL TANF FUNDS USED FOR MARRIAGE PROMOTION ACTIVITIES.—Such term does not include the amount of any grant made to the State under section 403 that is expended for a marriage promotion activity.''.

SEC. 8112. PERFORMANCE IMPROVEMENT.

(a) STATE PLANS.—Section 402(a) (42 U.S.C. 602(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by redesignating clause (vi) and clause (vii) (as added by section 8103(a) of this Act) as clauses (vii) and (viii), respectively; and

(ii) by striking clause (v) and inserting the following:

''(v) The document shall—

''(I) describe how the State will pursue ending dependence of needy families on government benefits and reducing poverty by promoting job preparation and work;

''(II) describe how the State will encourage the formation and maintenance of healthy 2-parent married families, encourage responsible fatherhood, and prevent and reduce the incidence of out-of-wedlock pregnancies;

''(III) include specific, numerical, and measurable performance objectives for accomplishing subclauses (I) and (II); and

''(IV) describe the methodology that the State will use to measure State performance in relation to each such objective.

''(vi) Describe any strategies and programs the State may be undertaking to address—

''(I) employment retention and advancement for recipients of assistance under the program, including placement into high-demand jobs, and whether the jobs are identified using labor market information;

''(II) efforts to reduce teen pregnancy;

''(III) services for struggling and noncompliant families, and for clients with special problems; and

''(IV) program integration, including the extent to which employment and training services under the program are provided through the One-Stop delivery system created under the Workforce Investment Act of 1998, and the extent to which former recipients of such assistance have access to additional core, intensive, or training services funded through such Act.''; and

(B) in subparagraph (B), by striking clause (iii) (as so redesignated by section 8107(b)(1) of this Act) and inserting the following:

''(iii) The document shall describe strategies and programs the State is undertaking to engage religious organizations in the provision of services funded under this part and efforts related to section 104 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

''(iv) The document shall describe strategies to improve program management and performance.''; and

(2) in paragraph (4), by inserting ''and tribal'' after ''that local''.

(b) CONSULTATION WITH STATE REGARDING PLAN AND DESIGN OF TRIBAL PROGRAMS.—Section 412(b)(1) (42 U.S.C. 612(b)(1)) is amended—

(1) by striking ''and'' at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting ''; and''; and

(3) by adding at the end the following:

''(G) provides an assurance that the State in which the tribe is located has been consulted regarding the plan and its design.''.

(c) PERFORMANCE MEASURES.—Section 413 (42 U.S.C. 613) is amended by adding at the end the following:

''(k) PERFORMANCE IMPROVEMENT.—The Secretary, in consultation with the States, shall develop uniform performance measures designed to assess the degree of effectiveness, and the degree of improvement, of State programs funded under this part in accomplishing the purposes of this part.''.

(d) ANNUAL RANKING OF STATES.—Section 413(d)(1) (42 U.S.C. 613(d)(1)) is amended by striking ''long-term private sector jobs'' and inserting ''private sector jobs, the success of the recipients in retaining employment, the ability of the recipients to increase their wages''.

SEC. 8113. DATA COLLECTION AND REPORTING.

(a) CONTENTS OF REPORT.—Section 411(a)(1)(A) (42 U.S.C. 611(a)(1)(A)) is amended—

(1) in the matter preceding clause (i), by inserting ''and on families receiving assistance under State programs funded with other qualified State expenditures (as defined in section 409(a)(7)(B))'' before the colon;

(2) in clause (vii), by inserting ''and minor parent'' after ''of each adult'';

(3) in clause (viii), by striking ''and educational level'';

(4) in clause (ix), by striking '', and if the latter 2, the amount received'';

(5) in clause (x)—

(A) by striking ''each type of''; and

(B) by inserting before the period ''and, if applicable, the reason for receipt of the assistance for a total of more than 60 months'';

(6) in clause (xi), by striking the subclauses and inserting the following:

''(I) Subsidized private sector employment.

''(II) Unsubsidized employment.

''(III) Public sector employment, supervised work experience, or supervised community service.

''(IV) On-the-job training.

''(V) Job search and placement.

''(VI) Training.

''(VII) Education.

''(VIII) Other activities directed at the purposes of this part, as specified in the State plan submitted pursuant to section 402.'';

(7) in clause (xii), by inserting ''and progress toward universal engagement'' after ''participation rates'';

(8) in clause (xiii), by striking ''type and'';

(9) in clause (xvi), by striking subclause (II) and redesignating subclauses (III) through (V) as subclauses (II) through (IV), respectively; and

(10) by adding at the end the following:

''(xviii) The date the family first received assistance from the State program on the basis of the most recent application for such assistance.

''(xix) Whether a self-sufficiency plan is established for the family in accordance with section 408(b).

''(xx) With respect to any child in the family, the marital status of the parents at the birth of the child, and if the parents were not then married, whether the paternity of the child has been established.''.

(b) USE OF SAMPLES.—Section 411(a)(1)(B) (42 U.S.C. 611(a)(1)(B)) is amended—

(1) in clause (i)—

(A) by striking ''a sample'' and inserting ''samples''; and

(B) by inserting before the period '', except that the Secretary may designate core data elements that must be reported on all families''; and

(2) in clause (ii), by striking ''funded under this part'' and inserting ''described in subparagraph (A)''.

(c) REPORT ON FAMILIES THAT BECOME INELIGIBLE TO RECEIVE ASSISTANCE.—Section 411(a) (42 U.S.C. 611(a)) is amended—

(1) by striking paragraph (5);

(2) by redesignating paragraph (6) as paragraph (5); and

(3) by inserting after paragraph (5) (as so redesignated) the following:

''(6) REPORT ON FAMILIES THAT BECOME INELIGIBLE TO RECEIVE ASSISTANCE.—The report required by paragraph (1) for a fiscal quarter shall include for each month in the quarter the number of families and total number of individuals that, during the month, became ineligible to receive assistance under the State program funded under this part (broken down by the number of families that become so ineligible due to earnings, changes in family composition that result in increased earnings, sanctions, time limits, or other specified reasons).''.

(d) REGULATIONS.—Section 411(a)(7) (42 U.S.C. 611(a)(7)) is amended—

(1) by inserting ''and to collect the necessary data'' before ''with respect to which reports'';

(2) by striking ''subsection'' and inserting ''section''; and

(3) by striking ''in defining the data elements'' and all that follows and inserting '', the National Governors' Association, the American Public Human Services Association, the National Conference of State Legislatures, and others in defining the data elements.''.

(e) ADDITIONAL REPORTS BY STATES.—Section 411 (42 U.S.C. 611) is amended—

(1) by redesignating subsection (b) as subsection (e); and

(2) by inserting after subsection (a) the following:

''(b) ANNUAL REPORTS ON PROGRAM CHARACTERISTICS.—Not later than 90 days after the end of fiscal year 2006 and each succeeding fiscal year, each eligible State shall submit to the Secretary a report on the characteristics of the State program funded under this part and other State programs funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i)). The report shall include, with respect to each such program, the program name, a description of program activities, the program purpose, the program eligibility criteria, the sources of program funding, the number of program beneficiaries, sanction policies, and any program work requirements.

''(c) MONTHLY REPORTS ON CASELOAD.—Not later than 3 months after the end of a calendar month that begins 1 year or more after the enactment of this subsection, each eligible State shall submit to the Secretary a report on the number of families and total number of individuals receiving assistance in the calendar month under the State program funded under this part.

''(d) ANNUAL REPORT ON PERFORMANCE IMPROVEMENT.—Beginning with fiscal year 2007, not later than January 1 of each fiscal year, each eligible State shall submit to the Secretary a report on achievement and improvement during the preceding fiscal year under the numerical performance goals and measures under the State program funded under this part with respect to each of the matters described in section 402(a)(1)(A)(v).''.

(f) ANNUAL REPORTS TO CONGRESS BY THE SECRETARY.—Section 411(e), as so redesignated by subsection (e) of this section, is amended—

(1) in the matter preceding paragraph (1), by striking ''and each fiscal year thereafter'' and inserting ''and by July 1 of each fiscal year thereafter'';

(2) in paragraph (2), by striking ''families applying for assistance,'' and by striking the last comma; and

(3) in paragraph (3), by inserting ''and other programs funded with qualified State expenditures (as defined in section 409(a)(7)(B)(i))'' before the semicolon.

(g) INCREASED ANALYSIS OF STATE SINGLE AUDIT REPORTS.—Section 411 (42 U.S.C. 611) is amended by adding at the end the following:

''(f) INCREASED ANALYSIS OF STATE SINGLE AUDIT REPORTS.—

''(1) IN GENERAL.—Within 3 months after a State submits to the Secretary a report pursuant to section 7502(a)(1)(A) of title 31, United States Code, the Secretary shall analyze the report for the purpose of identifying the extent and nature of problems related to the oversight by the State of nongovernmental entities with respect to contracts entered into by such entities with the State program funded under this part, and determining what additional actions may be appropriate to help prevent and correct the problems.

''(2) INCLUSION OF PROGRAM OVERSIGHT SECTION IN ANNUAL REPORT TO THE CONGRESS.—The Secretary shall include in each report under subsection (e) a section on oversight of State programs funded under this part, including findings on the extent and nature of the problems referred to in paragraph (1), actions taken to resolve the problems, and to the extent the Secretary deems appropriate make recommendations on changes needed to resolve the problems.''.

SEC. 8114. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

(a) TRIBAL FAMILY ASSISTANCE GRANT.—Section 412(a)(1)(A) (42 U.S.C. 612(a)(1)(A)) is amended by striking ''1997, 1998, 1999, 2000, 2001, 2002, and 2003'' and inserting ''2006 through 2010''.

(b) GRANTS FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.—Section 412(a)(2)(A) (42 U.S.C. 612(a)(2)(A)) is amended by striking ''1997, 1998, 1999, 2000, 2001, 2002, and 2003'' and inserting ''2006 through 2010''.

SEC. 8115. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

(a) SECRETARY'S FUND FOR RESEARCH, DEMONSTRATIONS, AND TECHNICAL ASSISTANCE.—Section 413 (42 U.S.C. 613), as amended by section 8112(c) of this Act, is further amended by adding at the end the following:

''(1) FUNDING FOR RESEARCH, DEMONSTRATIONS, AND TECHNICAL ASSISTANCE.—

''(1) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $102,000,000 for each of fiscal years 2006 through 2010, which shall be available to the Secretary for the purpose of conducting and supporting research and demonstration projects by public or private entities, and providing technical assistance to States, Indian tribal organizations, and such other entities as the Secretary may specify that are receiving a grant under this part, which shall be expended primarily on activities described in section 403(a)(2)(B), and which shall be in addition to any other funds made available under this part. The Secretary may not provide an entity with funds made available under this paragraph unless the entity agrees that, as a condition of receipt of the funds for a program or activity described in any of clauses (iii) through (viii) of section 403(a)(2)(B), the entity will comply with subclauses (I) and (II) of section 403(a)(2)(C)(ii).

''(2) SET ASIDE FOR DEMONSTRATION PROJECTS FOR COORDINATION OF PROVISION OF CHILD WELFARE AND TANF SERVICES TO TRIBAL FAMILIES AT RISK OF CHILD ABUSE OR NEGLECT.—

''(A) IN GENERAL.—Of the amounts made available under paragraph (1) for a fiscal year, $2,000,000 shall be awarded on a competitive basis to fund demonstration projects designed to test the effectiveness of tribal governments or tribal consortia in coordinating the provision to tribal families at risk of child abuse or neglect of child welfare services and services under tribal programs funded under this part.

''(B) USE OF FUNDS.—A grant made to such a project shall be used—

''(i) to improve case management for families eligible for assistance from such a tribal program;

''(ii) for supportive services and assistance to tribal children in out-of-home placements and the tribal families caring for such children, including families who adopt such children; and

''(iii) for prevention services and assistance to tribal families at risk of child abuse and neglect.

''(C) REPORTS.—The Secretary may require a recipient of funds awarded under this paragraph to provide the Secretary with such information as the Secretary deems relevant to enable the Secretary to facilitate and oversee the administration of any project for which funds are provided under this paragraph.''.

(b) FUNDING OF STUDIES AND DEMONSTRATIONS.—Section 413(h)(1) (42 U.S.C. 613(h)(1)) is amended in the matter preceding subparagraph (A) by striking ''1997 through 2002'' and inserting ''2006 through 2010''.

(c) REPORT ON ENFORCEMENT OF CERTAIN AFFIDAVITS OF SUPPORT AND SPONSOR DEEMING.—Not later than March 31, 2006, the Secretary of Health and Human Services, in consultation with the Attorney General, shall submit to the Congress a report on the enforcement of affidavits of support and sponsor deeming as required by section 421, 422, and 432 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(d) REPORT ON COORDINATION.—Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services and the Secretary of Labor shall jointly submit a report to the Congress describing common or conflicting data elements, definitions, performance measures, and reporting requirements in the Workforce Investment Act of 1998 and part A of title IV of the Social Security Act, and, to the degree each Secretary deems appropriate, at the discretion of either Secretary, any other program administered by the respective Secretary, to allow greater coordination between the welfare and workforce development systems.

SEC. 8116. STUDY BY THE CENSUS BUREAU.

(a) IN GENERAL.—Section 414(a) (42 U.S.C. 614(a)) is amended to read as follows:

''(a) IN GENERAL.—The Bureau of the Census shall implement or enhance a longitudinal survey of program participation, developed in consultation with the Secretary and made available to interested parties, to allow for the assessment of the outcomes of continued welfare reform on the economic and child well-being of low-income families with children, including those who received assistance or services from a State program funded under this part, and, to the extent possible, shall provide State representative samples. The content of the survey should include such information as may be necessary to examine the issues of out-of-wedlock childbearing, marriage, welfare dependency and compliance with work requirements, the beginning and ending of spells of assistance, work, earnings and employment stability, and the well-being of children.''.

(b) APPROPRIATION.—Section 414(b) (42 U.S.C. 614(b)) is amended—

(1) by striking ''1996,'' and all that follows through ''2003'' and inserting ''2006 through 2010''; and

(2) by adding at the end the following: ''Funds appropriated under this subsection shall remain available through fiscal year 2010 to carry out subsection (a).''.

SEC. 8117. DEFINITION OF ASSISTANCE.

(a) IN GENERAL.—Section 419 (42 U.S.C. 619) is amended by adding at the end the following:

''(6) ASSISTANCE.—

''(A) IN GENERAL.—The term 'assistance' means payment, by cash, voucher, or other means, to or for an individual or family for the purpose of meeting a subsistence need of the individual or family (including food, clothing, shelter, and related items, but not including costs of transportation or child care).

''(B) EXCEPTION.—The term 'assistance' does not include a payment described in subparagraph (A) to or for an individual or family on a short-term, nonrecurring basis (as defined by the State in accordance with regulations prescribed by the Secretary).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 404(a)(1) (42 U.S.C. 604(a)(1)) is amended by striking ''assistance'' and inserting ''aid''.

(2) Section 404(f) (42 U.S.C. 604(f)) is amended by striking ''assistance'' and inserting ''benefits or services''.

(3) Section 408(a)(5)(B)(i) (42 U.S.C. 608(a)(5)(B)(i)) is amended in the heading by striking ''ASSISTANCE'' and inserting ''AID''.

(4) Section 413(d)(2) (42 U.S.C. 613(d)(2)) is amended by striking ''assistance'' and inserting ''aid''.

SEC. 8118. TECHNICAL CORRECTIONS.

(a) Section 409(c)(2) (42 U.S.C. 609(c)(2)) is amended by inserting a comma after ''appropriate''.

(b) Section 411(a)(1)(A)(ii)(III) (42 U.S.C. 611(a)(1)(A)(ii)(III)) is amended by striking the last close parenthesis.

(c) Section 413(j)(2)(A) (42 U.S.C. 613(j)(2)(A)) is amended by striking ''section'' and inserting ''sections''.

(d)(1) Section 413 (42 U.S.C. 613) is amended by striking subsection (g) and redesignating subsections (h) through (j) and subsections (k) and (l) (as added by sections 8112(c) and 8115(a) of this Act, respectively) as subsections (g) through (k), respectively.

(2) Each of the following provisions is amended by striking ''413(j)'' and inserting ''413(i)'':

(A) Section 403(a)(5)(A)(ii)(III) (42 U.S.C. 603(a)(5)(A)(ii)(III)).

(B) Section 403(a)(5)(F) (42 U.S.C. 603(a)(5)(F)).

(C) Section 403(a)(5)(G)(ii) (42 U.S.C. 603(a)(5)(G)(ii)).

(D) Section 412(a)(3)(B)(iv) (42 U.S.C. 612(a)(3)(B)(iv)).

SEC. 8119. FATHERHOOD PROGRAM.

(a) SHORT TITLE.—This section may be cited as the ''Promotion and Support of Responsible Fatherhood and Healthy Marriage Act of 2005''.

(b) FATHERHOOD PROGRAM.—

(1) IN GENERAL.—Title I of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) is amended by adding at the end the following:

''SEC. 117. FATHERHOOD PROGRAM.

''(a) IN GENERAL.—Title IV (42 U.S.C. 601–679b) is amended by inserting after part B the following:

'PART C—FATHERHOOD PROGRAM

'SEC. 441. FINDINGS AND PURPOSES.

'(a) FINDINGS.—The Congress finds that there is substantial evidence strongly indicating the urgent need to promote and support involved, committed, and responsible fatherhood, and to encourage and support healthy marriages between parents raising children, including data demonstrating the following:

'(1) In approximately 84 percent of cases where a parent is absent, that parent is the father.

'(2) If current trends continue, half of all children born today will live apart from one of their parents, usually their father, at some point before they turn 18.

'(3) Where families (whether intact or with a parent absent) are living in poverty, a significant factor is the father's lack of job skills.

'(4) Committed and responsible fathering during infancy and early childhood contributes to the development of emotional security, curiosity, and math and verbal skills.

'(5) An estimated 19,400,000 children (27 percent) live apart from their biological father.

'(6) Forty percent of children under age 18 not living with their biological father had not seen their father even once in the last 12 months, according to national survey data.

'(b) PURPOSES.—The purposes of this part are:

'(1) To provide for projects and activities by public entities and by nonprofit community entities, including religious organizations, designed to test promising approaches to accomplishing the following objectives:

'(A) Promoting responsible, caring, and effective parenting through counseling, mentoring, and parenting education, dissemination of educational materials and information on parenting skills, encouragement of positive father involvement, including the positive involvement of nonresident fathers, and other methods.

'(B) Enhancing the abilities and commitment of unemployed or low-income fathers to provide material support for their families and to avoid or leave welfare programs by assisting them to take full advantage of education, job training, and job search programs, to improve work habits and work skills, to secure career advancement by activities such as outreach and information dissemination, coordination, as appropriate, with employment services and job training programs, including the One-Stop delivery system established under title I of the Workforce Investment Act of 1998, encouragement and support of timely payment of current child support and regular payment toward past due child support obligations in appropriate cases, and other methods.

'(C) Improving fathers' ability to effectively manage family business affairs by means such as education, counseling, and mentoring in matters including household management, budgeting, banking, and handling of financial transactions, time management, and home maintenance.

'(D) Encouraging and supporting healthy marriages and married fatherhood through such activities as premarital education, including the use of premarital inventories, marriage preparation programs, skills-based marriage education programs, marital therapy, couples counseling, divorce education and reduction programs, divorce mediation and counseling, relationship skills enhancement programs, including those designed to reduce child abuse and domestic violence, and dissemination of information about the benefits of marriage for both parents and children.

'(2) Through the projects and activities described in paragraph (1), to improve outcomes for children with respect to measures such as increased family income and economic security, improved school performance, better health, improved emotional and behavioral stability and social adjustment, and reduced risk of delinquency, crime, substance abuse, child abuse and neglect, teen sexual activity, and teen suicide.

'(3) To evaluate the effectiveness of various approaches and to disseminate findings concerning outcomes and other information in order to encourage and facilitate the replication of effective approaches to accomplishing these objectives.

'SEC. 442. DEFINITIONS.

'In this part, the terms ''Indian tribe'' and ''tribal organization'' have the meanings given them in subsections (e) and (l), respectively, of section 4 of the Indian Self-Determination and Education Assistance Act.

'SEC. 443. COMPETITIVE GRANTS FOR SERVICE PROJECTS.

'(a) IN GENERAL.—The Secretary may make grants for fiscal years 2006 through 2010 to public and nonprofit community entities, including religious organizations, and to Indian tribes and tribal organizations, for demonstration service projects and activities designed to test the effectiveness of various approaches to accomplish the objectives specified in section 441(b)(1).

'(b) ELIGIBILITY CRITERIA FOR FULL SERVICE GRANTS.—In order to be eligible for a grant under this section, except as specified in subsection (c), an entity shall submit an application to the Secretary containing the following:

'(1) PROJECT DESCRIPTION.—A statement including—

'(A) a description of the project and how it will be carried out, including the geographical area to be covered and the number and characteristics of clients to be served, and how it will address each of the 4 objectives specified in section 441(b)(1); and

'(B) a description of the methods to be used by the entity or its contractor to assess the extent to which the project was successful in accomplishing its specific objectives and the general objectives specified in section 441(b)(1).

'(2) EXPERIENCE AND QUALIFICATIONS.—A demonstration of ability to carry out the project, by means such as demonstration of experience in successfully carrying out projects of similar design and scope, and such other information as the Secretary may find necessary to demonstrate the entity's capacity to carry out the project, including the entity's ability to provide the non-Federal share of project resources.

'(3) ADDRESSING CHILD ABUSE AND NEGLECT AND DOMESTIC VIOLENCE.—A description of how the entity will assess for the presence of, and intervene to resolve, domestic violence and child abuse and neglect, including how the entity will coordinate with State and local child protective service and domestic violence programs.

'(4) ADDRESSING CONCERNS RELATING TO SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A commitment to make available to each individual participating in the project education about alcohol, tobacco, and other drugs, and about the health risks associated with abusing such substances, and information about diseases and conditions transmitted through substance abuse and sexual contact, including HIV/AIDS, and to coordinate with providers of services addressing such problems, as appropriate.

'(5) COORDINATION WITH SPECIFIED PROGRAMS.—An undertaking to coordinate, as appropriate, with State and local entities responsible for the programs under parts A, B, and D of this title, including programs under title I of the Workforce Investment Act of 1998 (including the One-Stop delivery system), and such other programs as the Secretary may require.

'(6) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

'(7) SELF-INITIATED EVALUATION.—If the entity elects to contract for independent evaluation of the project (part or all of the cost of which may be paid for using grant funds), a commitment to submit to the Secretary a copy of the evaluation report within 30 days after completion of the report and not more than 1 year after completion of the project.

'(8) COOPERATION WITH SECRETARY'S OVERSIGHT AND EVALUATION.—An agreement to cooperate with the Secretary's evaluation of projects assisted under this section, by means including random assignment of clients to service recipient and control groups, if determined by the Secretary to be appropriate, and affording the Secretary access to the project and to project-related records and documents, staff, and clients.

'(c) ELIGIBILITY CRITERIA FOR LIMITED PURPOSE GRANTS.—In order to be eligible for a grant under this section in an amount under $25,000 per fiscal year, an entity shall submit an application to the Secretary containing the following:

'(1) PROJECT DESCRIPTION.—A description of the project and how it will be carried out, including the number and characteristics of clients to be served, the proposed duration of the project, and how it will address at least 1 of the 4 objectives specified in section 441(b)(1).

'(2) QUALIFICATIONS.—Such information as the Secretary may require as to the capacity of the entity to carry out the project, including any previous experience with similar activities.

'(3) COORDINATION WITH RELATED PROGRAMS.—As required by the Secretary in appropriate cases, an undertaking to coordinate and cooperate with State and local entities responsible for specific programs relating to the objectives of the project including, as appropriate, jobs programs and programs serving children and families.

'(4) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

'(5) COOPERATION WITH SECRETARY'S OVERSIGHT AND EVALUATION.—An agreement to cooperate with the Secretary's evaluation of projects assisted under this section, by means including affording the Secretary access to the project and to project-related records and documents, staff, and clients.

'(d) CONSIDERATIONS IN AWARDING GRANTS.—

'(1) DIVERSITY OF PROJECTS.—In awarding grants under this section, the Secretary shall seek to achieve a balance among entities of differing sizes, entities in differing geographic areas, entities in urban and in rural areas, and entities employing differing methods of achieving the purposes of this section, including working with the State agency responsible for the administration of part D to help fathers satisfy child support arrearage obligations.

'(2) PREFERENCE FOR PROJECTS SERVING LOW-INCOME FATHERS.—In awarding grants under this section, the Secretary may give preference to applications for projects in which a majority of the clients to be served are low-income fathers.

'(e) FEDERAL SHARE.—

'(1) IN GENERAL.—Grants for a project under this section for a fiscal year shall be

available for a share of the cost of such project in such fiscal year equal to—

'(A) up to 80 percent (or up to 90 percent, if the entity demonstrates to the Secretary's satisfaction circumstances limiting the entity's ability to secure non-Federal resources) in the case of a project under subsection (b); and

'(B) up to 100 percent, in the case of a project under subsection (c).

'(2) NON-FEDERAL SHARE.—The non-Federal share may be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to goods, services, and facilities contributed from non-Federal sources.

'SEC. 444. MULTICITY, MULTISTATE DEMONSTRATION PROJECTS.

'(a) IN GENERAL.—The Secretary may make grants under this section for fiscal years 2006 through 2010 to eligible entities (as specified in subsection (b)) for 2 multicity, multistate projects demonstrating approaches to achieving the objectives specified in section 441(b)(1). One of the projects shall test the use of married couples to deliver program services.

'(b) ELIGIBLE ENTITIES.—An entity eligible for a grant under this section must be a national nonprofit fatherhood promotion organization that meets the following requirements:

'(1) EXPERIENCE WITH FATHERHOOD PROGRAMS.—The organization must have substantial experience in designing and successfully conducting programs that meet the purposes described in section 441.

'(2) EXPERIENCE WITH MULTICITY, MULTISTATE PROGRAMS AND GOVERNMENT COORDINATION.—The organization must have experience in simultaneously conducting such programs in more than 1 major metropolitan area in more than 1 State and in coordinating such programs, where appropriate, with State and local government agencies and private, nonprofit agencies (including community-based and religious organizations), including State or local agencies responsible for child support enforcement and workforce development.

'(c) APPLICATION REQUIREMENTS.—In order to be eligible for a grant under this section, an entity must submit to the Secretary an application that includes the following:

'(1) QUALIFICATIONS.—

'(A) ELIGIBLE ENTITY.—A demonstration that the entity meets the requirements of subsection (b).

'(B) OTHER.—Such other information as the Secretary may find necessary to demonstrate the entity's capacity to carry out the project, including the entity's ability to provide the non-Federal share of project resources.

'(2) PROJECT DESCRIPTION.—A description of and commitments concerning the project design, including the following:

'(A) IN GENERAL.—A detailed description of the proposed project design and how it will be carried out, which shall—

'(i) provide for the project to be conducted in at least 3 major metropolitan areas;

'(ii) state how it will address each of the 4 objectives specified in section 441(b)(1);

'(iii) demonstrate that there is a sufficient number of potential clients to allow for the random selection of individuals to participate in the project and for comparisons with appropriate control groups composed of individuals who have not participated in such projects; and

'(iv) demonstrate that the project is designed to direct a majority of project resources to activities serving low-income fathers (but the project need not make services available on a means-tested basis).

'(B) OVERSIGHT, EVALUATION, AND ADJUSTMENT COMPONENT.—An agreement that the entity—

'(i) in consultation with the evaluator selected pursuant to section 445, and as required by the Secretary, will modify the project design, initially and (if necessary) subsequently throughout the duration of the project, in order to facilitate ongoing and final oversight and evaluation of project operation and outcomes (by means including, to the maximum extent feasible, random assignment of clients to service recipient and control groups), and to provide for mid-course adjustments in project design indicated by interim evaluations;

'(ii) will submit to the Secretary revised descriptions of the project design as modified in accordance with clause (i); and

'(iii) will cooperate fully with the Secretary's ongoing oversight and ongoing and final evaluation of the project, by means including affording the Secretary access to the project and to project-related records and documents, staff, and clients.

'(3) ADDRESSING CHILD ABUSE AND NEGLECT AND DOMESTIC VIOLENCE.—A description of how the entity will assess for the presence of, and intervene to resolve, domestic violence and child abuse and neglect, including how the entity will coordinate with State and local child protective service and domestic violence programs.

'(4) ADDRESSING CONCERNS RELATING TO SUBSTANCE ABUSE AND SEXUAL ACTIVITY.—A commitment to make available to each individual participating in the project education about alcohol, tobacco, and other drugs, and about the health risks associated with abusing such substances, and information about diseases and conditions transmitted through substance abuse and sexual contact, including HIV/AIDS, and to coordinate with providers of services addressing such problems, as appropriate.

'(5) COORDINATION WITH SPECIFIED PROGRAMS.—An undertaking to coordinate, as appropriate, with State and local entities responsible for the programs funded under parts A, B, and D of this title, programs under title I of the Workforce Investment Act of 1998 (including the One-Stop delivery system), and such other programs as the Secretary may require.

'(6) RECORDS, REPORTS, AND AUDITS.—An agreement to maintain such records, make such reports, and cooperate with such reviews or audits (in addition to those required under the preceding provisions of paragraph (2)) as the Secretary may find necessary for purposes of oversight of project activities and expenditures.

'(d) FEDERAL SHARE.—

'(1) IN GENERAL.—Grants for a project under this section for a fiscal year shall be available for up to 80 percent of the cost of such project in such fiscal year.

'(2) NON-FEDERAL SHARE.—The non-Federal share may be in cash or in kind. In determining the amount of the non-Federal share, the Secretary may attribute fair market value to goods, services, and facilities contributed from non-Federal sources.

'SEC. 445. EVALUATION.

'(a) IN GENERAL.—The Secretary, directly or by contract or cooperative agreement, shall evaluate the effectiveness of service projects funded under sections 443 and 444 from the standpoint of the purposes specified in section 441(b)(1).

'(b) EVALUATION METHODOLOGY.—Evaluations under this section shall—

'(1) include, to the maximum extent feasible, random assignment of clients to service delivery and control groups and other appropriate comparisons of groups of individuals receiving and not receiving services;

'(2) describe and measure the effectiveness of the projects in achieving their specific project goals; and

'(3) describe and assess, as appropriate, the impact of such projects on marriage, parenting, domestic violence, child abuse and neglect, money management, employment and earnings, payment of child support, and child well-being, health, and education.

'(c) EVALUATION REPORTS.—The Secretary shall publish the following reports on the results of the evaluation:

'(1) An implementation evaluation report covering the first 24 months of the activities under this part to be completed by 36 months after initiation of such activities.

'(2) A final report on the evaluation to be completed by September 30, 2013.

'SEC. 446. PROJECTS OF NATIONAL SIGNIFICANCE.

'The Secretary is authorized, by grant, contract, or cooperative agreement, to carry out projects and activities of national significance relating to fatherhood promotion, including—

'(1) COLLECTION AND DISSEMINATION OF INFORMATION.—Assisting States, communities, and private entities, including religious organizations, in efforts to promote and support marriage and responsible fatherhood by collecting, evaluating, developing, and making available (through the Internet and by other means) to all interested parties information regarding approaches to accomplishing the objectives specified in section 441(b)(1).

'(2) MEDIA CAMPAIGN.—Developing, promoting, and distributing to interested States, local governments, public agencies, and private nonprofit organizations, including charitable and religious organizations, a media campaign that promotes and encourages involved, committed, and responsible fatherhood and married fatherhood.

'(3) TECHNICAL ASSISTANCE.—Providing technical assistance, including consultation and training, to public and private entities, including community organizations and faith-based organizations, in the implementation of local fatherhood promotion programs.

'(4) RESEARCH.—Conducting research related to the purposes of this part.

'SEC. 447. NONDISCRIMINATION.

'The projects and activities assisted under this part shall be available on the same basis to all fathers and expectant fathers able to benefit from such projects and activities, including married and unmarried fathers and custodial and noncustodial fathers, with particular attention to low-income fathers, and to mothers and expectant mothers on the same basis as to fathers.

'SEC. 448. AUTHORIZATION OF APPROPRIATIONS; RESERVATION FOR CERTAIN PURPOSE.

'(a) AUTHORIZATION.—There are authorized to be appropriated $20,000,000 for each of fiscal years 2006 through 2010 to carry out the provisions of this part.

'(b) RESERVATION.—Of the amount appropriated under this section for each fiscal year, not more than 15 percent shall be available for the costs of the multicity, multicounty, multistate demonstration projects under section 444, evaluations under section 445, and projects of national significance under section 446.'.

''(b) INAPPLICABILITY OF EFFECTIVE DATE PROVISIONS.—Section 116 shall not apply to the amendment made by subsection (a) of this section.''.

(2) CLERICAL AMENDMENT.—Section 2 of such Act is amended in the table of contents by inserting after the item relating to section 116 the following new item:

''Sec. 117. Fatherhood program.''.

SEC. 8120. STATE OPTION TO MAKE TANF PROGRAMS MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT TRAINING CENTERS.

Section 408 of the Social Security Act (42 U.S.C. 608) is amended by adding at the end the following:

''(h) STATE OPTION TO MAKE TANF PROGRAMS MANDATORY PARTNERS WITH ONE-STOP EMPLOYMENT TRAINING CENTERS.—For purposes of section 121(b) of the Workforce Investment Act of 1998, a State program funded under part A of title IV of the Social Security Act shall be considered a program referred to in paragraph (1)(B) of such section, unless, after the date of the enactment of this subsection, the Governor of the State notifies the Secretaries of Health and Human Services and Labor in writing of the decision of the Governor not to make the State program a mandatory partner.''.

SEC. 8121. SENSE OF THE CONGRESS.

It is the sense of the Congress that a State welfare-to-work program should include a mentoring program.

SEC. 8122. DRUG TESTING OF APPLICANTS FOR AND RECIPIENTS OF ASSISTANCE.

(a) REQUIREMENT.—Section 408(a) (42 U.S.C. 608(a)) is amended by adding at the end the following:

''(12) DRUG TESTING REQUIREMENTS.—A State to which a grant is made under section 403(a) for a fiscal year shall—

''(A) require an individual who has applied for, or is a recipient of, assistance from the State program funded under this part to undergo a physical test designed to detect the use by the individual of any controlled substance (as defined in section 102(6) of the Controlled Substances Act) if the State has reason to believe that the person has unlawfully used such a substance recently;

''(B) if a test administered pursuant to this paragraph indicates that an individual has so used such a substance recently, or if the State otherwise determines (on the basis of such indicators as the State may establish) that an individual is likely to have so used such a substance recently—

''(i) ensure that the self-sufficiency plan developed under section 408(b) with respect to the individual addresses the use of the substance;

''(ii) suspend the provision of cash assistance under the program to the family of the individual until a subsequent such test indicates that the individual has not been using the substance; and

''(iii) require, as a condition of providing any benefit under the program to the family of the individual, that the individual comply with the self-sufficiency plan, including the provisions of the plan that address the use of the substance, and undergo additional such tests every 30 or 60 days, as the State deems appropriate; and

''(C) terminate for 3 years the participation in the program of the family of any individual who tests positive for such use of such a substance in such number of consecutive tests administered pursuant to this paragraph (which shall be not less than 3 and not more than 6) as the State deems appropriate.''.

(b) PENALTY FOR NONCOMPLIANCE.—Section 409(a) (42 U.S.C. 609(a)) is amended by adding at the end the following:

''(15) PENALTY FOR FAILURE TO COMPLY WITH DRUG TESTING REQUIREMENTS.—If the Secretary determines that a State has not complied with section 408(a)(12) during a fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not less than 5 percent and not more than 10 percent of the State family assistance grant, as the Secretary deems appropriate based on the frequency and severity of the noncompliance.''.

Subtitle B—Child Care

SEC. 8201. ENTITLEMENT FUNDING.

Section 418(a)(3) (42 U.S.C. 618(a)(3)) is amended—

(1) by striking ''and'' at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting a semicolon; and

(3) by adding at the end the following:

''(G) $2,717,000,000 for fiscal year 2006;

''(H) $2,767,000,000 for fiscal year 2007;

''(I) $2,817,000,000 for fiscal year 2008;

''(J) $2,867,000,000 for fiscal year 2009; and

''(K) $2,917,000,000 for fiscal year 2010.''.

Subtitle C—Child Support

SEC. 8301. FEDERAL MATCHING FUNDS FOR LIMITED PASS THROUGH OF CHILD SUPPORT PAYMENTS TO FAMILIES RECEIVING TANF.

(a) IN GENERAL.—Section 457(a) (42 U.S.C. 657(a)) is amended—

(1) in paragraph (1)(A), by inserting ''subject to paragraph (7)'' before the semicolon; and

(2) by adding at the end the following:

''(7) FEDERAL MATCHING FUNDS FOR LIMITED PASS THROUGH OF CHILD SUPPORT PAYMENTS TO FAMILIES RECEIVING TANF.—Notwithstanding paragraph (1), a State shall not be required to pay to the Federal Government the Federal share of an amount collected during a month on behalf of a family that is a recipient of assistance under the State program funded under part A, to the extent that—

''(A) the State distributes the amount to the family;

''(B) the total of the amounts so distributed to the family during the month—

''(i) exceeds the amount (if any) that, as of December 31, 2001, was required under State law to be distributed to a family under paragraph (1)(B); and

''(ii) does not exceed the greater of—

''(I) $100; or

''(II) $50 plus the amount described in clause (i); and

''(C) the amount is disregarded in determining the amount and type of assistance provided to the family under the State program funded under part A.''.

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to amounts distributed on or after October 1, 2008.

SEC. 8302. STATE OPTION TO PASS THROUGH ALL CHILD SUPPORT PAYMENTS TO FAMILIES THAT FORMERLY RECEIVED TANF.

(a) IN GENERAL.—Section 457(a) (42 U.S.C. 657(a)), as amended by section 8301(a) of this Act, is amended—

(1) in paragraph (2)(B), in the matter preceding clause (i), by inserting '', except as provided in paragraph (8),'' after ''shall''; and

(2) by adding at the end the following:

''(8) STATE OPTION TO PASS THROUGH ALL CHILD SUPPORT PAYMENTS TO FAMILIES THAT FORMERLY RECEIVED TANF.—In lieu of applying paragraph (2) to any family described in paragraph (2), a State may distribute to the family any amount collected during a month on behalf of the family.''.

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to amounts distributed on or after October 1, 2008.

SEC. 8303. MANDATORY REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS FOR FAMILIES RECEIVING TANF.

(a) IN GENERAL.—Section 466(a)(10)(A)(i) (42 U.S.C. 666(a)(10)(A)(i)) is amended—

(1) by striking ''parent, or,'' and inserting ''parent or''; and

(2) by striking ''upon the request of the State agency under the State plan or of either parent,''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2007.

SEC. 8304. MANDATORY FEE FOR SUCCESSFUL CHILD SUPPORT COLLECTION FOR FAMILY THAT HAS NEVER RECEIVED TANF.

(a) IN GENERAL.—Section 454(6)(B) (42 U.S.C. 654(6)(B)) is amended—

(1) by inserting ''(i)'' after ''(B)'';

(2) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively;

(3) by adding ''and'' after the semicolon; and

(4) by adding after and below the end the following new clause:

''(ii) in the case of an individual who has never received assistance under a State program funded under part A and for whom the State has collected at least $500 of support, the State shall impose an annual fee of $25 for each case in which services are furnished, which shall be retained by the State from support collected on behalf of the individual (but not from the 1st $500 so collected), paid by the individual applying for the services, recovered from the absent parent, or paid by the State out of its own funds (the payment of which from State funds shall not be considered as an administrative cost of the State for the operation of the plan, and such fees shall be considered income to the program);''.

(b) CONFORMING AMENDMENT.—Section 457(a)(3) (42 U.S.C. 657(a)(3)) is amended to read as follows:

''(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute to the family the portion of the amount so collected that remains after withholding any fee pursuant to section 454(6)(B)(ii).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

SEC. 8305. REPORT ON UNDISTRIBUTED CHILD SUPPORT PAYMENTS.

Not later than 6 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a report on the procedures that the States use generally to locate custodial parents for whom child support has been collected but not yet distributed. The report shall include an estimate of the total amount of undistributed child support and the average length of time it takes undistributed child support to be distributed. To the extent the Secretary deems appropriate, the Secretary shall include in the report recommendations as to whether additional procedures should be established at the State or Federal level to expedite the payment of undistributed child support.

SEC. 8306. DECREASE IN AMOUNT OF CHILD SUPPORT ARREARAGE TRIGGERING PASSPORT DENIAL.

(a) IN GENERAL.—Section 452(k)(1) (42 U.S.C. 652(k)(1)) is amended by striking ''$5,000'' and inserting ''$2,500''.

(b) CONFORMING AMENDMENT.—Section 454(31) (42 U.S.C. 654(31)) is amended by striking ''$5,000'' and inserting ''$2,500''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2006.

SEC. 8307. USE OF TAX REFUND INTERCEPT PROGRAM TO COLLECT PAST-DUE CHILD SUPPORT ON BEHALF OF CHILDREN WHO ARE NOT MINORS.

(a) IN GENERAL.—Section 464 (42 U.S.C. 664) is amended—

(1) in subsection (a)(2)(A), by striking ''(as that term is defined for purposes of this paragraph under subsection (c))''; and

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by striking ''(1) Except as provided in paragraph (2), as used in'' and inserting ''In''; and

(ii) by inserting ''(whether or not a minor)'' after ''a child'' each place it appears; and

(B) by striking paragraphs (2) and (3).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2007.

SEC. 8308. GARNISHMENT OF COMPENSATION PAID TO VETERANS FOR SERVICE-CONNECTED DISABILITIES IN ORDER TO ENFORCE CHILD SUPPORT OBLIGATIONS.

(a) IN GENERAL.—Section 459(h) (42 U.S.C. 659(h)) is amended—

(1) in paragraph (1)(A)(ii)(V), by striking all that follows ''Armed Forces'' and inserting a semicolon; and

(2) by adding at the end the following:

''(3) LIMITATIONS WITH RESPECT TO COMPENSATION PAID TO VETERANS FOR SERVICE-CONNECTED DISABILITIES.—Notwithstanding any other provision of this section:

''(A) Compensation described in paragraph (1)(A)(ii)(V) shall not be subject to withholding pursuant to this section—

''(i) for payment of alimony; or

''(ii) for payment of child support if the individual is fewer than 60 days in arrears in payment of the support.

''(B) Not more than 50 percent of any payment of compensation described in paragraph (1)(A)(ii)(V) may be withheld pursuant to this section.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on October 1, 2007.

SEC. 8309. MAINTENANCE OF TECHNICAL ASSISTANCE FUNDING.

Section 452(j) (42 U.S.C. 652(j)) is amended by inserting ''or the amount appropriated under this paragraph for fiscal year 2002, whichever is greater,'' before ''which shall be available''.

SEC. 8310. MAINTENANCE OF FEDERAL PARENT LOCATOR SERVICE FUNDING.

Section 453(o) (42 U.S.C. 653(o)) is amended—

(1) in the 1st sentence, by inserting ''or the amount appropriated under this paragraph for fiscal year 2002, whichever is greater,'' before ''which shall be available''; and

(2) in the 2nd sentence, by striking ''for each of fiscal years 1997 through 2001''.

SEC. 8311. INFORMATION COMPARISONS WITH INSURANCE DATA.

(a) DUTIES OF THE SECRETARY.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following:

''(m) COMPARISONS WITH INSURANCE INFORMATION.—

''(1) IN GENERAL.—The Secretary, through the Federal Parent Locator Service, may—

''(A) compare information concerning individuals owing past-due support with information maintained by insurers (or their agents) concerning insurance claims, settlements, awards, and payments, and

''(B) furnish information resulting from such a comparison to the State agencies responsible for collecting child support from such individuals.

''(2) LIABILITY.—An insurer (including any agent of an insurer) shall not be liable under any Federal or State law to any person for any disclosure provided for under this subsection, or for any other action taken in good faith in accordance with this subsection.''.

(b) STATE REIMBURSEMENT OF FEDERAL COSTS.—Section 453(k)(3) (42 U.S.C. 653(k)(3)) is amended by inserting ''or section 452(m)'' after ''this section''.

SEC. 8312. TRIBAL ACCESS TO THE FEDERAL PARENT LOCATOR SERVICE.

Section 453(c)(1) (42 U.S.C. 653(c)(1)) is amended by inserting ''or of any Indian tribe or tribal organization'' after ''any agent or attorney of any State''.

SEC. 8313. REIMBURSEMENT OF SECRETARY'S COSTS OF INFORMATION COMPARISONS AND DISCLOSURE FOR ENFORCEMENT OF OBLIGATIONS ON HIGHER EDUCATION ACT LOANS AND GRANTS.

Section 453(j)(6)(F) (42 U.S.C. 653(j)(6)(F)) is amended by striking ''additional''.

SEC. 8314. TECHNICAL AMENDMENT RELATING TO COOPERATIVE AGREEMENTS BETWEEN STATES AND INDIAN TRIBES.

Section 454(33) (42 U.S.C. 654(33)) is amended by striking ''that receives funding pursuant to section 428 and''.

SEC. 8315. STATE OPTION TO USE STATEWIDE AUTOMATED DATA PROCESSING AND INFORMATION RETRIEVAL SYSTEM FOR INTERSTATE CASES.

Section 466(a)(14)(A)(iii) (42 U.S.C. 666(a)(14)(A)(iii)) is amended by inserting ''(but the assisting State may establish a corresponding case based on such other State's request for assistance)'' before the semicolon.

SEC. 8316. MODIFICATION OF RULE REQUIRING ASSIGNMENT OF SUPPORT RIGHTS AS A CONDITION OF RECEIVING TANF.

(a) IN GENERAL.—Section 408(a)(3) (42 U.S.C. 608(a)(3)) is amended to read as follows:

''(3) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—

''(A) IN GENERAL.—Subject to subparagraph (B), a State to which a grant is made under section 403 shall require, as a condition of providing assistance to a family under the State program funded under this part, that a member of the family assign to the State any rights the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to—

''(i) support from any other person which accrues during the period that the family receives assistance under the program; and

''(ii) at the option of the State, support from any other person which has accrued before such period.

''(B) LIMITATION.—The total amount of support that may be required to be provided with respect to rights assigned to a State by a family member pursuant to subparagraph (A) shall not exceed the total amount of assistance provided by the State to the family.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2008.

SEC. 8317. STATE OPTION TO DISCONTINUE CERTAIN SUPPORT ASSIGNMENTS.

Section 457(b) (42 U.S.C. 657(b)) is amended by striking ''shall'' and inserting ''may''.

SEC. 8318. TECHNICAL CORRECTION.

The second paragraph (7) of section 453(j) (42 U.S.C. 653(j)) is amended by striking ''(7)'' and inserting ''(9)''.

SEC. 8319. REDUCTION IN RATE OF REIMBURSEMENT OF CHILD SUPPORT ADMINISTRATIVE EXPENSES.

Section 455(a)(2) (42 U.S.C. 655(a)(2)) is amended—

(1) in subparagraph (B), by striking '', and'' and inserting a semicolon;

(2) in subparagraph (C), by striking ''fiscal year 1990 and each fiscal year thereafter.'' and inserting ''fiscal years 1990 through 2006;''; and

(3) by adding at the end the following:

''(D) 62 percent for fiscal year 2007;

''(E) 58 percent for fiscal year 2008;

''(F) 54 percent for fiscal year 2009; and

''(G) 50 percent for fiscal year 2010 and each fiscal year thereafter.''.

SEC. 8320. INCENTIVE PAYMENTS.

(a) IN GENERAL.—Section 455(a)(1) (42 U.S.C. 655(a)(1)) is amended by inserting ''from amounts paid to the State under section 458 or'' before ''to carry out an agreement''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on October 1, 2007.

Subtitle D—Child Welfare

SEC. 8401. EXTENSION OF AUTHORITY TO APPROVE DEMONSTRATION PROJECTS.

Section 1130(a)(2) (42 U.S.C. 1320a–9(a)(2)) is amended by striking ''2003'' and inserting ''2010''.

SEC. 8402. ELIMINATION OF LIMITATION ON NUMBER OF WAIVERS.

Section 1130(a)(2) (42 U.S.C. 1320a–9(a)(2)) is amended by striking ''not more than 10''.

SEC. 8403. ELIMINATION OF LIMITATION ON NUMBER OF STATES THAT MAY BE GRANTED WAIVERS TO CONDUCT DEMONSTRATION PROJECTS ON SAME TOPIC.

Section 1130 (42 U.S.C. 1320a–9) is amended by adding at the end the following:

''(h) NO LIMIT ON NUMBER OF STATES THAT MAY BE GRANTED WAIVERS TO CONDUCT SAME OR SIMILAR DEMONSTRATION PROJECTS.—The Secretary shall not refuse to grant a waiver to a State under this section on the grounds that a purpose of the waiver or of the demonstration project for which the waiver is necessary would be the same as or similar to a purpose of another waiver or project that is or may be conducted under this section.''.

SEC. 8404. ELIMINATION OF LIMITATION ON NUMBER OF WAIVERS THAT MAY BE GRANTED TO A SINGLE STATE FOR DEMONSTRATION PROJECTS.

Section 1130 (42 U.S.C. 1320a–9) is further amended by adding at the end the following:

''(i) NO LIMIT ON NUMBER OF WAIVERS GRANTED TO, OR DEMONSTRATION PROJECTS THAT MAY BE CONDUCTED BY, A SINGLE STATE.—The Secretary shall not impose any limit on the number of waivers that may be granted to a State, or the number of demonstration projects that a State may be authorized to conduct, under this section.''.

SEC. 8405. STREAMLINED PROCESS FOR CONSIDERATION OF AMENDMENTS TO AND EXTENSIONS OF DEMONSTRATION PROJECTS REQUIRING WAIVERS.

Section 1130 (42 U.S.C. 1320a–9) is further amended by adding at the end the following:

''(j) STREAMLINED PROCESS FOR CONSIDERATION OF AMENDMENTS AND EXTENSIONS.—The Secretary shall develop a streamlined process for consideration of amendments and extensions proposed by States to demonstration projects conducted under this section.''.

SEC. 8406. AVAILABILITY OF REPORTS.

Section 1130 (42 U.S.C. 1320a–9) is further amended by adding at the end the following:

''(k) AVAILABILITY OF REPORTS.—The Secretary shall make available to any State or other interested party any report provided to the Secretary under subsection (f)(2), and any evaluation or report made by the Secretary with respect to a demonstration project conducted under this section, with a focus on information that may promote best practices and program improvements.''.

SEC. 8407. CLARIFICATION OF ELIGIBILITY FOR FOSTER CARE MAINTENANCE PAYMENTS AND ADOPTION ASSISTANCE.

(a) FOSTER CARE MAINTENANCE PAYMENTS.—Section 472(a) (42 U.S.C. 672(a)) is amended to read as follows:

''(a) IN GENERAL.—

''(1) ELIGIBILITY.—Each State with a plan approved under this part shall make foster care maintenance payments on behalf of each child who has been removed from the home of a relative specified in section 406(a) (as in effect on July 16, 1996) into foster care if—

''(A) the removal and foster care placement met, and the placement continues to meet, the requirements of paragraph (2); and

''(B) the child, while in the home, would have met the AFDC eligibility requirement of paragraph (3).

''(2) REMOVAL AND FOSTER CARE PLACEMENT REQUIREMENTS.—The removal and foster care placement of a child meet the requirements of this paragraph if—

''(A) the removal and foster care placement are in accordance with—

''(i) a voluntary placement agreement entered into by a parent or legal guardian of the child who is the relative referred to in paragraph (1); or

''(ii) a judicial determination to the effect that continuation in the home from which removed would be contrary to the welfare of the child and that reasonable efforts of the type described in section 471(a)(15) for a child have been made;

''(B) the child's placement and care are the responsibility of—

''(i) the State agency administering the State plan approved under section 471; or

''(ii) any other public agency with which the State agency administering or supervising the administration of the State plan has made an agreement which is in effect; and

''(C) the child has been placed in a foster family home or child-care institution.

''(3) AFDC ELIGIBILITY REQUIREMENT.—

''(A) IN GENERAL.—A child in the home referred to in paragraph (1) would have met the AFDC eligibility requirement of this paragraph if the child—

''(i) would have received aid under the State plan approved under section 402 (as in effect on July 16, 1996) in the home, in or for the month in which the agreement was entered into or court proceedings leading to the determination referred to in paragraph (2)(A)(ii) of this subsection were initiated; or

''(ii)(I) would have received the aid in the home, in or for the month referred to in clause (i), if application had been made therefor; or

''(II) had been living in the home within 6 months before the month in which the agreement was entered into or the proceedings were initiated, and would have received the aid in or for such month, if, in such month, the child had been living in the home with the relative referred to in paragraph (1) and application for the aid had been made.

''(B) RESOURCES DETERMINATION.—For purposes of subparagraph (A), in determining whether a child would have received aid under a State plan approved under section 402 (as in effect on July 16, 1996), a child whose resources (determined pursuant to section 402(a)(7)(B), as so in effect) have a combined value of not more than $10,000 shall be considered a child whose resources have a combined value of not more than $1,000 (or such lower amount as the State may determine for purposes of section 402(a)(7)(B)).

''(4) ELIGIBILITY OF CERTAIN ALIEN CHILDREN.—Subject to title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, if the child is an alien disqualified under section 245A(h) or 210(f) of the Immigration and Nationality Act from receiving aid under the State plan approved under section 402 in or for the month in which the agreement described in paragraph (2)(A)(i) was entered into or court proceedings leading to the determination described in paragraph (2)(A)(ii) were initiated, the child shall be considered to satisfy the requirements of paragraph (3), with respect to the month, if the child would have satisfied the requirements but for the disqualification.''.

(b) ADOPTION ASSISTANCE.—Section 473(a)(2) (42 U.S.C. 673(a)(2)) is amended to read as follows:

''(2)(A) For purposes of paragraph (1)(B)(ii), a child meets the requirements of this paragraph if the child—

''(i)(I)(aa) was removed from the home of a relative specified in section 406(a) (as in effect on July 16, 1996) and placed in foster care in accordance with a voluntary placement agreement with respect to which Federal payments are provided under section 474 (or section 403, as such section was in effect on July 16, 1996), or in accordance with a judicial determination to the effect that continuation in the home would be contrary to the welfare of the child; and

''(bb) met the requirements of section 472(a)(3) with respect to the home referred to in item (aa) of this subclause;

''(II) meets all of the requirements of title XVI with respect to eligibility for supplemental security income benefits; or

''(III) is a child whose costs in a foster family home or child-care institution are covered by the foster care maintenance payments being made with respect to the minor parent of the child as provided in section 475(4)(B); and

''(ii) has been determined by the State, pursuant to subsection (c) of this section, to be a child with special needs.

''(B) Section 472(a)(4) shall apply for purposes of subparagraph (A) of this paragraph, in any case in which the child is an alien described in such section.

''(C) A child shall be treated as meeting the requirements of this paragraph for the purpose of paragraph (1)(B)(ii) if the child—

''(i) meets the requirements of subparagraph (A)(ii);

''(ii) was determined eligible for adoption assistance payments under this part with respect to a prior adoption;

''(iii) is available for adoption because—

''(I) the prior adoption has been dissolved, and the parental rights of the adoptive parents have been terminated; or

''(II) the child's adoptive parents have died; and

''(iv) fails to meet the requirements of subparagraph (A) but would meet such requirements if—

''(I) the child were treated as if the child were in the same financial and other circumstances the child was in the last time the child was determined eligible for adoption assistance payments under this part; and

''(II) the prior adoption were treated as never having occurred.''.

SEC. 8408. CLARIFICATION REGARDING FEDERAL MATCHING OF CERTAIN ADMINISTRATIVE COSTS UNDER THE FOSTER CARE MAINTENANCE PAYMENTS PROGRAM.

(a) ADMINISTRATIVE COSTS RELATING TO UNLICENSED CARE.—Section 472 (42 U.S.C. 672) is amended by inserting after subsection (h) the following:

''(i) ADMINISTRATIVE COSTS ASSOCIATED WITH OTHERWISE ELIGIBLE CHILDREN NOT IN LICENSED FOSTER CARE SETTINGS.—Expenditures by a State that would be considered administrative expenditures for purposes of section 474(a)(3) if made with respect to a child who was residing in a foster family home or child-care institution shall be so considered with respect to a child not residing in such a home or institution—

''(1) in the case of a child who has been removed in accordance with subsection (a) of this section from the home of a relative specified in section 406(a) (as in effect on July 16, 1996), only for expenditures—

''(A) with respect to a period of not more than the lesser of 12 months or the average length of time it takes for the State to license or approve a home as a foster home, in which the child is in the home of a relative and an application is pending for licensing or approval of the home as a foster family home; or

''(B) with respect to a period of not more than 1 calendar month when a child moves from a facility not eligible for payments under this part into a foster family home or child care institution licensed or approved by the State; and

''(2) in the case of any other child who is potentially eligible for benefits under a State plan approved under this part and at imminent risk of removal from the home, only if—

''(A) reasonable efforts are being made in accordance with section 471(a)(15) to prevent the need for, or if necessary to pursue, removal of the child from the home; and

''(B) the State agency has made, not less often than every 6 months, a determination (or redetermination) as to whether the child remains at imminent risk of removal from the home.''.

(b) CONFORMING AMENDMENT.—Section 474(a)(3) of such Act (42 U.S.C. 674(a)(3)) is amended by inserting ''subject to section 472(i)'' before ''an amount equal to''.

SEC. 8409. TECHNICAL CORRECTION.

Section 1130(b)(1) (42 U.S.C. 1320a–9(b)(1)) is amended by striking ''422(b)(9)'' and inserting ''422(b)(10)''.

SEC. 8410. TECHNICAL CORRECTION.

Section 470 (42 U.S.C. 670) is amended by striking ''June 1, 1995'' and inserting ''July 16, 1996''.

Subtitle E—Supplemental Security Income

SEC. 8501. REVIEW OF STATE AGENCY BLINDNESS AND DISABILITY DETERMINATIONS.

Section 1633 (42 U.S.C. 1383b) is amended by adding at the end the following:

''(e)(1) The Commissioner of Social Security shall review determinations, made by State agencies pursuant to subsection (a) in connection with applications for benefits under this title on the basis of blindness or disability, that individuals who have attained 18 years of age are blind or disabled as of a specified onset date. The Commissioner of Social Security shall review such a determination before any action is taken to implement the determination.

''(2)(A) In carrying out paragraph (1), the Commissioner of Social Security shall review—

''(i) at least 20 percent of all determinations referred to in paragraph (1) that are made in fiscal year 2006;

''(ii) at least 40 percent of all such determinations that are made in fiscal year 2007; and

''(iii) at least 50 percent of all such determinations that are made in fiscal year 2008 or thereafter.

''(B) In carrying out subparagraph (A), the Commissioner of Social Security shall, to the extent feasible, select for review the determinations which the Commissioner of Social Security identifies as being the most likely to be incorrect.''.

SEC. 8502. PAYMENT OF CERTAIN LUMP SUM BENEFITS IN INSTALLMENTS UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

(a) IN GENERAL.—Section 1631(a)(10)(A)(i) (42 U.S.C. 1383(a)(10)(A)(i)) is amended by striking ''12'' and inserting ''3''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect 3 months after the date of the enactment of this Act.

Subtitle F—State and Local Flexibility

SEC. 8601. PROGRAM COORDINATION DEMONSTRATION PROJECTS.

(a) PURPOSE.—The purpose of this section is to establish a program of demonstration projects in a State or portion of a State to coordinate multiple public assistance, workforce development, and other programs, for

the purpose of supporting working individuals and families, helping families escape welfare dependency, promoting child well-being, or helping build stronger families, using innovative approaches to strengthen service systems and provide more coordinated and effective service delivery.

(b) DEFINITIONS.—In this section:

(1) ADMINISTERING SECRETARY.—The term ''administering Secretary'' means, with respect to a qualified program, the head of the Federal agency responsible for administering the program.

(2) QUALIFIED PROGRAM.—The term ''qualified program'' means—

(A) a program under part A of title IV of the Social Security Act; or

(B) the program under title XX of such Act.

(c) APPLICATION REQUIREMENTS.—The head of a State entity or of a sub-State entity administering 2 or more qualified programs proposed to be included in a demonstration project under this section shall (or, if the project is proposed to include qualified programs administered by 2 or more such entities, the heads of the administering entities (each of whom shall be considered an applicant for purposes of this section) shall jointly) submit to the administering Secretary of each such program an application that contains the following:

(1) PROGRAMS INCLUDED.—A statement identifying each qualified program to be included in the project, and describing how the purposes of each such program will be achieved by the project.

(2) POPULATION SERVED.—A statement identifying the population to be served by the project and specifying the eligibility criteria to be used.

(3) DESCRIPTION AND JUSTIFICATION.—A detailed description of the project, including—

(A) a description of how the project is expected to improve or enhance achievement of the purposes of the programs to be included in the project, from the standpoint of quality, of cost-effectiveness, or of both; and

(B) a description of the performance objectives for the project, including any proposed modifications to the performance measures and reporting requirements used in the programs.

(4) WAIVERS REQUESTED.—A description of the statutory and regulatory requirements with respect to which a waiver is requested in order to carry out the project, and a justification of the need for each such waiver.

(5) COST NEUTRALITY.—Such information and assurances as necessary to establish to the satisfaction of the administering Secretary, in consultation with the Director of the Office of Management and Budget, that the proposed project is reasonably expected to meet the applicable cost neutrality requirements of subsection (d)(4).

(6) EVALUATION AND REPORTS.—An assurance that the applicant will conduct ongoing and final evaluations of the project, and make interim and final reports to the administering Secretary, at such times and in such manner as the administering Secretary may require.

(7) OTHER INFORMATION AND ASSURANCES.—Such other information and assurances as the administering Secretary may require.

(d) APPROVAL OF APPLICATIONS.—

(1) IN GENERAL.—The administering Secretary with respect to a qualified program that is identified in an application submitted pursuant to subsection (c) may approve the application and, except as provided in paragraph (2), waive any requirement applicable to the program, to the extent consistent with this section and necessary and appropriate for the conduct of the demonstration project proposed in the application, if the administering Secretary determines that the project—

(A) has a reasonable likelihood of achieving the objectives of the programs to be included in the project;

(B) may reasonably be expected to meet the applicable cost neutrality requirements of paragraph (4), as determined by the Director of the Office of Management and Budget; and

(C) includes the coordination of 2 or more qualified programs.

(2) PROVISIONS EXCLUDED FROM WAIVER AUTHORITY.—A waiver shall not be granted under paragraph (1) with respect to any provision of law relating to—

(A) civil rights or prohibition of discrimination;

(B) purposes or goals of any program;

(C) maintenance of effort requirements;

(D) health or safety;

(E) labor standards under the Fair Labor Standards Act of 1938; or

(F) environmental protection;

(3) AGREEMENT OF EACH ADMINISTERING SECRETARY REQUIRED.—

(A) IN GENERAL.—An applicant may not conduct a demonstration project under this section unless each administering Secretary with respect to any program proposed to be included in the project has approved the application to conduct the project.

(B) AGREEMENT WITH RESPECT TO FUNDING AND IMPLEMENTATION.—Before approving an application to conduct a demonstration project under this section, an administering Secretary shall have in place an agreement with the applicant with respect to the payment of funds and responsibilities required of the administering Secretary with respect to the project.

(4) COST-NEUTRALITY REQUIREMENT.—

(A) GENERAL RULE.—Notwithstanding any other provision of law (except subparagraph (B)), the total of the amounts that may be paid by the Federal Government for a fiscal year with respect to the programs in the State in which an entity conducting a demonstration project under this section is located that are affected by the project shall not exceed the estimated total amount that the Federal Government would have paid for the fiscal year with respect to the programs if the project had not been conducted, as determined by the Director of the Office of Management and Budget.

(B) SPECIAL RULE.—If an applicant submits to the Director of the Office of Management and Budget a request to apply the rules of this subparagraph to the programs in the State in which the applicant is located that are affected by a demonstration project proposed in an application submitted by the applicant pursuant to this section, during such period of not more than 5 consecutive fiscal years in which the project is in effect, and the Director determines, on the basis of supporting information provided by the applicant, to grant the request, then, notwithstanding any other provision of law, the total of the amounts that may be paid by the Federal Government for the period with respect to the programs shall not exceed the estimated total amount that the Federal Government would have paid for the period with respect to the programs if the project had not been conducted.

(5) 90-DAY APPROVAL DEADLINE.—

(A) IN GENERAL.—If an administering Secretary receives an application to conduct a demonstration project under this section and does not disapprove the application within 90 days after the receipt, then—

(i) the administering Secretary is deemed to have approved the application for such period as is requested in the application, except to the extent inconsistent with subsection (e); and

(ii) any waiver requested in the application which applies to a qualified program that is identified in the application and is administered by the administering Secretary is deemed to be granted, except to the extent inconsistent with paragraph (2) or (4) of this subsection.

(B) DEADLINE EXTENDED IF ADDITIONAL INFORMATION IS SOUGHT.—The 90-day period referred to in subparagraph (A) shall not include any period that begins with the date the Secretary requests the applicant to provide additional information with respect to the application and ends with the date the additional information is provided.

(e) DURATION OF PROJECTS.—A demonstration project under this section may be approved for a term of not more than 5 years.

(f) REPORTS TO CONGRESS.—

(1) REPORT ON DISPOSITION OF APPLICATIONS.—Within 90 days after an administering Secretary receives an application submitted pursuant to this section, the administering Secretary shall submit to each Committee of the Congress which has jurisdiction over a qualified program identified in the application notice of the receipt, a description of the decision of the administering Secretary with respect to the application, and the reasons for approving or disapproving the application.

(2) REPORTS ON PROJECTS.—Each administering Secretary shall provide annually to the Congress a report concerning demonstration projects approved under this section, including—

(A) the projects approved for each applicant;

(B) the number of waivers granted under this section, and the specific statutory provisions waived;

(C) how well each project for which a waiver is granted is improving or enhancing program achievement from the standpoint of quality, cost-effectiveness, or both;

(D) how well each project for which a waiver is granted is meeting the performance objectives specified in subsection (c)(3)(B);

(E) how each project for which a waiver is granted is conforming with the cost-neutrality requirements of subsection (d)(4); and

(F) to the extent the administering Secretary deems appropriate, recommendations for modification of programs based on outcomes of the projects.

Subtitle G—Repeal of Continued Dumping and Subsidy Offset

SEC. 8701. REPEAL OF CONTINUED DUMPING AND SUBSIDY OFFSET.

(a) REPEAL.—Section 754 of the Tariff Act of 1930 (19 U.S.C. 1675c), and the item relating to section 754 in the table of contents for title VII of that Act, are repealed.

(b) EXISTING ACCOUNTS.—All amounts remaining, upon the enactment of this title, in any special account established under section 754(e)(1) of the Tariff Act of 1930 (as in effect on the day before the date of the enactment of this title) shall be deposited in the general fund of the Treasury.

Subtitle H—Effective Date

SEC. 8801. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this title, this title and the amendments made by this title shall be effective as of October 1, 2005.

(b) EXCEPTION.—In the case of a State plan under title IV of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by this title, the effective date of the amendments imposing the additional requirements shall be 3 months after the first day of the first calendar quarter beginning after the close of

the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the preceding sentence, in the case of a State that has a 2-year legislative session, each year of the session shall be considered to be a separate regular session of the State legislature.

The SPEAKER pro tempore. The gentleman from Iowa (Mr. NUSSLE) and the gentleman from South Carolina (Mr. SPRATT) each will control 1 hour.

The Chair recognizes the gentleman from Iowa (Mr. NUSSLE).

□ 2230

Mr. NUSSLE. Mr. Speaker, several months ago, we approved the fiscal year 2006 budget resolution. In that budget, the Republicans and Congress laid out our plan, which is based on our fundamental principles to promote economic growth, create jobs, and control government spending. It is part of an overall plan.

Today we stand at what is a critical juncture in implementing that plan and making it a reality. The Deficit Reduction Act starts the process of adopting the real policies and the real reforms that make these massive entitlement programs more effective, more efficient, and less costly.

I expect, as we have already seen, that this is going to be a very vigorous and even sometimes contentious debate. I welcome that. I think we should all welcome that. I think that is what this Chamber is really for. It is what our constituents sent us here to do, to set the priorities, to come up with a solid plan, to do the real work, even if it is difficult, even if it is a challenge, even if you have to fight for it, even if you have to make a debate and a speech and everything else in order to get it done. The point is, we have got to work on this plan and see it through.

This is far from the first day that we have been on the floor or worked in committees in order to get this done. Mr. Speaker, for the past three budget years, we have been working on this plan to get the economy going, to create jobs, to control spending, and to actually reduce the deficit. I would like to review our plan.

First, Republicans committed to reduce the total discretionary spending, making the first actual reduction in the annual spending that happens because we vote on it here in Congress. That is the discretionary spending. It is the first time we have made an actual reduction in this nondiscretionary spending, this discretionary spending part of the budget. The first time we have done that since the 1980s.

Second, the Republicans committed to no tax increases. More importantly, we did not want an automatic tax increase happening. In fact, if Congress does not act this year, if we fail to pass the tax reconciliation, taxes automatically go up, no vote. They just go up.

Third, we decided that we wanted to tackle these important mandatory programs. For the past 3 years, we have stuck to our plan, and we have produced results. Let me just show you this chart. Mr. Speaker, when we started this process, we had a $521 billion deficit that was staring us in the face, caused by what happened on September 11, 2001, the war in Afghanistan, the war in Iraq, the stock market dot-com bubble bursting, the emergency spending we had to deal with in order to deal with so many broken lives, so many challenges across the country in the wake of the terrorist attack.

Homeland Security spending skyrocketed; and interestingly enough, the same opposition party who comes to the floor tonight decrying spending, decrying deficits voted for most of that spending that got us to the $521 billion worth of deficit. As part of implementing this plan, we reduced that deficit from $521 billion to $427 billion in the first year; $90-some billion in 1 year alone the deficit came down implementing that plan.

Second year, that we just closed the books on, actual reduction from $521 billion to $427 billion to $319 billion. I will suggest to you that $319 billion is not where we want to be. We are heading in the right direction. We are heading in the right direction because we have a plan to grow the economy, to control spending, to create jobs, and create taxpayers. As a result of that, revenues have come in. The strong sustained growth in our economy has driven Federal tax receipts up over 15 percent over last year, even with tax reduction.

Let me repeat that. I understand all the rhetoric on the floor here tonight, but we reduced taxes. The economy expanded. More money came into Washington. That is a fact, incontrovertible fact. No one can come to the floor tonight and tell you any differently. Revenues have increased as a result of strong economic growth.

The Democrats act like this is the government's money that we are talking about here tonight, that all of these, whether it is tax reductions or spending or whatever it is, that this is the government's money. This is not the government's money.

Mr. Speaker, this is the hard-working taxpayers' money. They do the working, they do the sweating, they do the toiling, they are the ones that open small businesses and farms. They are the ones that employ Americans. They are the ones that do not wait for the government to come to bail them out. If they have a tough year, they are the folks who do all the hard work and pay the taxes. It is their money that we are talking about here tonight. That surge of revenue, that surge of money coming from those taxpayers was the largest factor in this dramatic reduction of the deficit, nearly $100 billion this year, $200 billion over the last 2 years.

Even combined, growing the economy and limiting just that 30 percent of our spending is not going to be enough. It is not going to be enough to get where we need to be. The set of challenges still faces us.

We added a third prong to this important deficit reduction. We committed for the first time in nearly a decade to reform and find savings in the largest portion of our Federal spending. That is what we are here to do tonight. It is part of that overall plan.

This spending is what we call mandatory, our automatic pilot-kind of spending. It is over now 50 percent of the entire amount of money that is spent by the Federal Government; and it is without boundaries, it is without reform, and it is pretty much without any kind of review whatsoever. In fact, Congress does not even have to vote on these increases. Let me say that again so you understand. If we do nothing tonight, spending automatically increases, and we have got to go to the taxpayers to get more money. We have got to go to those hard-working Americans to get more money from them in order to run the government.

Automatically, if we do nothing tonight, just like if we do nothing on taxes, they will automatically increase. That is the fantasy that we are dealing with tonight. That is the fantasy of our congressional budget process unfortunately, is things automatically occur if you do not do the hard work of reforming and reducing our spending and our taxes. Compounding the problem is that unchecked spending is growing faster than our economy, faster than inflation, and far beyond our means to sustain it whatsoever. The money is usually just feeding a gigantic bureaucracy. Really, this is a bureaucracy that is failing most of the people it is intended to help.

I asked eight of our very able chairmen and their committees to go to work. I asked them to make some reforms. Over the last 6 months, hundreds of ideas were discussed. Hearings were held. We listened to our constituents, to scholars, to experts, to people who understand the intricacies of these programs. We partnered with the States. We talked to our Governors. All of the committees have met or exceeded the original savings targets with reforms, bringing the total of savings that we will consider here tonight to $50 billion over 5 years.

Really, this is not about saving money. This is an effort to start reforming our largest Federal programs and ensure that they can continue to serve their missions, to serve the people and help the ones who are most in need. Most of these programs desperately need reform. In many cases, they are operating on decades-old models.

Take Medicaid as an example. We are talking about Medicaid tonight as just one of the myriad programs, invented in 1965 before the personal computer, before we walked on the Moon. Yes, it is a program we all support; but, yes, it is a program in need of dramatic reform in order to meet the needs of our changing society and Nation.

Most of these programs desperately need this reform. They are operating

on these models, and we need to make this change. This process that we call reconciliation is just one of the few tools that we have at our disposal in order to make sure that we can go through this process.

I want to give you a sampling of the reforms that are in this package. We expand and build upon the welfare reform that was so successful from 1996. We reformed Medicaid, just as the Governors have asked us to give the States the flexibility in those 50 laboratories to deliver a better-quality service to the people who need them.

We reformed food stamps, a program that helped so many in need, but is in so much need of reform. We enhanced pension security, just at a time when the Pension Benefit Guaranty Corporation has come out telling us we need these reforms, otherwise people's pensions are a desperate concern.

Boosting the low-income heating assistance, at a time we know the winter is going to be challenging and eliminating the excessive student loan overhead costs.

People are going to come here tonight to protect the bureaucracy of these programs. We want to make sure that these programs are helping those in need. These are just a good start. But these reforms and savings are not going to solve the long-term spending problem in a single stroke. But if you listen to the debate, it will sound tonight like we are eliminating half the Federal Government. You will hear debate tonight that will make it sound like we have eliminated these programs.

In fact, what we are talking about here is the total amount of this bill. If you take all of it together, the total savings amounts to less than one-half of 1 percent over the next 5 years. These programs will grow. What we are saying is we just need to slow them down a little bit and instill some reforms so that they can work better. Even though our opponents will claim that these are cuts, spending will continue to grow under each of these programs faster, even, than inflation.

Under our plan, Medicaid is an example. We will continue to grow at 7.5 percent instead of what it is currently growing at, which all of our Governors came to Washington to say was an unsustainable rate at 7.7 percent. That is not a cut. Only in Washington would that be called a cut.

I know my friends on the other side will disagree with our plan to reform our government programs and achieve these savings for American taxpayers. That is fair. We can have that debate tonight. But I ask you, through the Speaker, where is your plan?

You were given an opportunity to present a plan tonight. You will come to the floor tonight and tell us how important these programs are and how they are already failing Americans, but you have not one scintilla of an idea of how to make sure that these programs can continue.

What is your plan to reform these important programs? What are your innovative ideas, or is it simply increase taxes on hard-working Americans? Is it simply more politics as usual? Is it more press releases and attack ads? I have no doubt that is what it is going to be.

I hope Democrats do not plan to come and waste our time tonight, telling us yet again that you do not agree with us. I mean, gee, that is really news. Mr. Speaker, in fact, boy, look at the balcony where all the reporters usually sit. It is really news that you do not support our plan. It is really news that you disagree with the Republicans. It is really news that Republicans and Democrats are fighting. That is not news at all.

What would be news is if you came forward with an alternative. That would be news. If you came with a plan, that would actually be a surprise. It is not going to happen tonight.

You were allowed to present a plan. I am proud to present our plan to reform these very important government programs that achieve savings for hard-working American people who pay the taxes around here. It is part of our successful ongoing effort during one of the most challenging times in our history to promote personal responsibility, to reform government bureaucracy, the same bureaucracy that they will defend tonight is the same bureaucracy that did not get the job done down in the gulf. They decry the bureaucracy on the one hand, and yet they try and protect it on the other.

□ 2245

This eliminates some of the waste, fraud and abuse within our system. And it grows our economy to create jobs and opportunities for the American people. We have a plan to reduce the deficit and to govern America.

Mr. Speaker, I ask you, where is their plan? Where is your agenda for America, to govern and to reduce your deficit and get us back on path?

I ask that we support the only plan and the best plan and that is the plan we propose tonight.

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

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

Mr. Speaker, with all due respect, this bill is a sham. This bill does not reduce the deficit. It increases the deficit by at least $7 billion, and it results from a budget resolution passed a few months ago that does not lower the deficit. It raises the deficit by over $100 million over the next 5 years.

Now, I know the supporters of this bill claim it is going to help for Hurricanes Katrina and Rita, well, that is a phony claim, too. This bill has nothing to do with paying for Katrina. It has everything to do with facilitating further tax cuts. This bill comes out of a larger budget resolution for 2006 that calls for a total of $106 billion in new and additional tax cuts, $70 billion in reconciled tax cuts, $36 billion in unreconciled tax cuts. So the spending cuts in this bill are really just the first step in a three-step process.

Step number two will come tomorrow or soon thereafter when tax cuts are introduced in the form of another reconciliation bill. And when these two are put together, the result will be a bigger deficit. So this is not a deficit reduction bill. It does not lead to deficit reduction. And after the tax cuts are passed, there will not be a dime left to pay for Katrina and Rita, but there will be a bigger deficit. And that brings on the third step in this process and that is a $781 billion increase in the national debt of the United States of America. That is, this bill is part of the process that will require an increase in the national debt ceiling of $781 billion. As you can see, over the last 4 fiscal years, to accommodate the budgets of this administration and the leadership of this Congress, the Congress has raised the legal debt ceiling of the United States by $3 trillion 15 billion, of which $781 billion is included in this budget resolution, deemed approved when we pass the budget resolution.

Once upon a time, the purpose for reconciliation was to reduce the deficit, rein in the deficit. But the reconciliation bills for this year, this one and the tax bill to come, stand that purpose on its head. They actually raise the deficit for the reasons I have just mentioned. And this is our first reason for opposing the bill. In the end, it will not reduce or rein in the deficit. It will only make it worse.

Let me answer the gentleman's charge of where is our plan? We do not need a plan. We produced a plan as an alternate budget which they chose not to vote for just a few months ago. The budget resolution for 2006 which we brought to this House floor would have balanced the budget in the year 2012, and accumulated far less debt than their budget resolution in the process.

Where is the plan tonight? We do not need a plan because this plan tonight on the House floor is a plan to permit further tax cuts. It was our feeling that when you have a $412 billion deficit, and that is what it was in 2004, the first rule of holes is to quit digging. Do not make the deficit worse. So we did not propose further tax cuts that would have made the deficit worse, which we would have done and we are trying to mitigate with this particular bill. That is why we did not have a plan here. Our budget did not call for it. But our budget resolution would put the budget in the surplus again by the year 2012.

This bill calls itself "The Deficit Reduction Act of 2005," but it does not live up to its name. This bill results from a budget resolution that does not lower the deficit. The bill raises the deficit by $100 billion over the next 5 years.

Supporters claim that this bill will help pay for Hurricanes Katrina and Rita. This too is a phoney claim. This bill has nothing to do with paying for Katrina; it has everything to do with facilitating further tax cuts. This bill comes out

of a larger budget resolution that calls for a total of $106 billion in new and additional tax cuts: $70 billion in reconciled tax cuts, along with $36 billion in unreconciled tax cuts.

The spending cuts in this bill are the first step in a three-step process. The second step will come tomorrow or soon thereafter in the form of tax cuts, and when these two steps are completed, the net result will be an increase in the deficit of around $7 billion. After the tax cuts are passed, there will not be a dime left to pay for Katrina and Rita. But there will be a bigger deficit, and so that brings in the third step in this process, a $781 billion increase in the government's debt ceiling. The budget resolution of 2006 already deems its approval by the House.

Once upon a time, the purpose of reconciliation was to rein in the deficit. The reconciliation bills for this year stand that purpose on its head. They will actually raise the deficit, for reasons I have just mentioned. This year's budget resolution called for $106 billion in new tax cuts over five years. $70 billion of that is assured a fast track through the Senate because these tax cuts are ''reconciled.'' The mandatory spending cuts, contained in this bill, will go to offset in part the revenues lost to tax cuts. Nothing goes toward deficit reduction or toward paying for Katrina, due to new and additional tax cuts.

This is our first reason for opposing this bill. In the end, it will not reduce or rein in the deficit; it will only make it worse.

Now, that outcome may not be immediately clear. That's because this reconciliation bill with spending cuts is being considered separately from a second reconciliation bill with tax cuts.

There is another reason for the hiatus between spending cuts and tax cuts. The spending cuts made by this bill will hit the young, the old, the sick, and the poor, and hit them hard. The savings realized from these spending cuts will go to offset, partially at least, tax cuts for taxpayers whose incomes are in the upper brackets. Our colleagues from across the aisle want to avoid that connection, so they have separated the two bills.

He may not buy the claim that this bill is ot pay for or partially offset the cost of Katrina. But we do believe that disaster relief is a form of shared sacrifice. So in paying for Katrina, we believe that the cost should be spread equitably over the entire country, and not just loaded on those least able to bear it. Yet that's exactly what this bill does. Who bears the brunt of the cuts made by this bill? Single mothers seeking child support from delinquent missing dads. Students struggling to pay loans for their college education. Foster children. The sick and poor whose only access to health care coverage is Medicaid, and families who depend on food stamps. Is this any way to pay for Hurricane Katrina? Or to pave the way for tax cuts?

There are $11.4 bilion in cuts to Medicaid, including cuts over $8 billion that fall upon beneficiaries through co-pays, premiums, and benefit reduction; −$14.3 billion in spending cuts to college student loan programs over 5-years, of which $7.8 billion is realized through increases in the interest rates and fees that students pay; −$4.9 billion in cuts to child support enforcement, which will cut back the state's capacity to enforce child support orders, −$577 million in foster care cuts; $732 million in SSI cuts.

Other provisions in this bill cut conservation by $504 million; cut deeply into rural development; and eliminate altogether the Byrd Amendment. The Byrd Amendment requires that duties paid by foreign firms, as a penalty for dumping their goods here at prices below cost, should be shared with U.S. firms damaged by import dumping.

This reconciliation package claims to offset the cost of Hurricane Katrina. That, like the title, is a false claim for two reasons. Rather than helping pay for Katrina, many of the services cut, such as Food Stamps and Medicaid, benefit the victims of these disasters, the people who have been uprooted and displaced.

I must say, we are mystified over this newfound interest in offsets. Since 2003, we have passed three huge supplementals to cover the cost of war and reconstruction in Iraq and Afghanistan. We supported all of them, because when we put troops in the field, we stand behind them. But any notion of offsetting those costs was dismissed out of hand.

As we have asked before, why is it that you insist on offsetting the cost of rebuilding Biloxi, but not the cost of rebuilding Baghdad or Basra? Will the next supplemental for Iraq be offset? There is $50 billion in ''bridge funding'' in the defense bill not offset.

If this bill reduced the deficit or helped pay for Katrina, as you claim, we would still have trouble with the cuts you have chosen. Many hurt those who need help most. Moreover, the savings are overstated, and some won't stand scrutiny. For example:

This bill includes $6.2 billion in increased PBGC premiums, but these premiums are entrusted to pay pension benefit guaranties, and in the near future, these additional premiums will be spent for that very purpose. You can claim these additional receipts as offsets to your tax cuts only because the federal government runs a cash-basis budget. If we accrue the liability for benefit guaranties, there would be no balance in this trust fund to use as an offset to tax cuts.

This bill makes crippling cuts to child support enforcement: $4.9 billion over five years. This will only shift the cost to the states, and if the states don't make up the difference, this reduction will result in a loss of more than $24 billion in child support over the next ten years. This is a flagrant case of false economy.

And as if the reduction in child support were not tough enough, this bill allows Medicaid to charge children co-pays, and to deny care if the cost-sharing is not paid. At $3 and up, the co-pays may not seem much to us, but they can be a birch well for someone living at or below the poverty line. The co-pays as such do not save much in total Medicaid spending. The way they save money is by discouraging low-income children and others from seeking medical care.

This bill also claims one-time receipts from spectrum auctions to offset the recurring loss of revenues to permanent tax cuts, and it overestimates the net receipts by assuming the cost of converter boxes at $1 billion, though the cost is likely to be about three times that amount.

This bill cuts $2.2 billion in mandatory spending to administer the student loan program. But these costs have to be paid. Guess where? Out of discretinary funds for education.

In short, there are many reasons that this bill does not live up to its title. It makes deep and painful cuts all right, but it paves the way for new and additional tax cuts, despite an enormous deficit, and the end result is a larger deficit. In this respect, today's legislation is like the budget resolution that set it in motion. This is one in a series of fiscal actions that will cause the debt ceiling of the United States to be raised by $3 trillion between 2002 and 2006.

So, not only is this bill a shame, it is also a sham.

When the Bush Administration took office in 2001, it inherited a surplus and blithely predicted that the surplus would endure, even if its trillion dollar tax cuts were adopted. The Bush budget was adopted, and in fiscal 2005, the bottom line was not a surplus of $269 billion as it once projected, but a deficit of $319 billion. Realistic estimates show that these deficits are structural and will get worse, not better, over the next ten years, and that when the Bush Administration's full agenda is factored in, deficits will climb to $640 billion by 2015; the national debt will double; and debt service will more than double. This legislation will make deep and painful cuts, but it will not avoid that budget outcome or lead to balance in any time frame.

So, we oppose this bill because it's not only a shame, but also a sham.

Mr. Speaker, I ask unanimous consent to yield 12 minutes of my time to the gentleman from New York (Mr. RANGEL) for the purposes of control.

The SPEAKER pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. NUSSLE. Mr. Speaker, I yield 2½ minutes to the gentleman from Texas (Mr. HENSARLING), a member of the committee.

Mr. HENSARLING. Mr. Speaker, I thank the gentleman for yielding me time. I certainly thank him for his leadership on this vital issue.

Mr. Speaker, everybody is aware of the classic ''A Christmas Carol'' by Charles Dickens. In it we are all familiar with the Ghost of Christmas Yet to Come.

Mr. Speaker, let me tell you a little bit about the Ghost of Christmas Yet to Come for America if we follow the Democrats' plan and ignore the opportunity to reform government spending and achieve savings for the American family.

Chairman Alan Greenspan has said, As a Nation we may have already made promises to coming generations of retirees that we will be unable to fulfill.

The Brookings Institution, not exactly a bastion of conservative thought, has said, Expected growth and mandatory programs, along with projected increases in interest on the debt and defense, will absorb all of the government's currently projected revenue within eight years, leaving nothing for any other program.

The Government Accountability Office has said that in order to balance the Federal budget in just one generation, total Federal spending would have to be cut in half or Federal taxes doubled. Federal taxes doubled.

Now, we have heard our friends from the other side of the aisle say, well, your tax relief plan was all wrong. It is the source of all of our fiscal woes.

Mr. Speaker, what does that mean? That means they want to bring back the death tax so that somebody has to visit the undertaker and the IRS on the same day. It means they want to cut the child tax credit as families are struggling to put food on the table, to put gas in the car. They want to bring back the marriage penalty and punish people who fall in love. They want to raise taxes 50 percent for low income families, take away the 10 percent bracket. And according to the Heritage Foundation, their program of tax increases will cost over 400,000 jobs, turning paychecks into welfare checks.

Ultimately, Mr. Speaker, this is what the future looks like. Doubling taxes on the American people as time goes by.

What does that mean for a family of four? It means their transportation program is cut $1,300. A year's supply of gas they are taking away from the American family. Family housing will be cut $2,700; a choice between owning a home or renting a home. Food, $1,300 will be cut from American families with their double the tax plan, 3 months of groceries. Recreation budget cut, $900. There went the family vacation. They talk about compassion. There is no compassion there, Mr. Speaker.

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

Mr. Speaker, I want everyone to remember this date, November 17, because in the final analysis the debate that is taking place obviously between Democrats and Republicans will be decided not due to the eloquence of the gentleman from Iowa (Mr. NUSSLE) who obviously is leaving the House, but will be decided by the American people.

There is an old western song, ''You Picked a Fine Time to Leave Me Lucille.'' To be the chairman of the Budget Committee and to try to find just what tax breaks can we give to the richest people that we have, and then to try to find out how you can really help the deficit by taking the two or $300 billion that we are paying for the war in Iraq and not even include that, and then to really try to look for the programs that deal with the most vulnerable people that we have, the gentleman from Iowa (Mr. NUSSLE) is leaving the floor.

I can understand that. But he does not have to leave the Congress. When the people start looking and seeing what happens, they will be looking for the chairman that drafted this, and you will not be in Washington.

And the reason I want people to remember November 17 is because November 17 is going to be an historic day. Oh, true, the gentleman from Iowa (Mr. NUSSLE) did not see reporters up there, but it is going to be reported tomorrow who voted on which side. So we ought to say it with a great bit of pride that old civil rights song, Which Side Are You on? And I tell you, we are so proud on this side that when the final vote is counted, those kids that are in foster homes that just have a little hope that maybe their lives could be better, the people on SSI that are disabled and everyone has left them, the kids who are trying to get a decent education and we are hitting them too, have we no shame on the other side as to what do we have to do in order to maintain the tax cuts?

I would like to believe that this was something that could have been worked out. I would like to believe that Democrats and Republicans should not have to vote party line. But it is shameful when you look at the deficit, you look at the war, you look at the tax cuts and then you decide that you are going to reform this system.

You try to reform Social Security and we looked at your cards and we found out that you are really trying to privatize it. Now every program that deals with the poor, every program that deals with those people that the Congress should be helping you want to reform.

Well, let me say to the other side, I think when the votes are taken tonight people would know who have the compassion, who has the plan, and who has hopes for the future. And you are making it abundantly clear as you leave this body to do whatever you want to do, that you have given us a chance, I say to the gentleman from Iowa (Mr. NUSSLE), to present to the American people which side are they on? I personally would like to thank you for it, because it could not be made more clear as to the difference between our parties.

No matter what religion you are, each one of them has some kind of verse that says as human beings, we have an obligation to help those people who are the lesser of our brothers and sisters. There is not a church and not a synagogue that has not looked on your reforms and they believe that you have forgotten the lesser of our brothers and sisters.

I am not a very religious man, but I do believe that we will have a religious moments when it comes to the next election, and wherever you go, my prayers will be with you, I say to the gentleman from Iowa (Mr. NUSSLE).

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

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair would remind all Members to direct their remarks to the Chair.

Mr. NUSSLE. Mr. Speaker, how much time remains on each side?

The SPEAKER pro tempore. The gentleman from Iowa (Mr. NUSSLE) has 42½ minutes remaining. The gentleman from South Carolina (Mr. SPRATT) has 44 minutes remaining. The gentleman from New York (Mr. RANGEL) has 8 minutes remaining.

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

Mr. RANGEL. Mr. Speaker, we are not dealing tonight with 30 pieces of silver, but we are dealing with tax cuts. And the gentleman from Massachusetts (Mr. NEAL) would like to explain in non-biblical terms where the 30 pieces of silver have gone. Mr. Speaker, I yield 3 minutes to the gentleman from Massachusetts (Mr. NEAL), an outstanding member of the Ways and Means Committee, to share with us his views.

(Mr. NEAL of Massachusetts asked and was given permission to revise and extend his remarks.)

Mr. NEAL of Massachusetts. Mr. Speaker, I want to thank the gentleman from New York (Mr. RANGEL) for the gallant fight that he has put up all year on these issues as well.

Let us, me, say something tonight that we ought to start this debate with. For everybody who is watching, for the Members that are here in this Chamber, as you listen to this debate, these are the people who began the year with what we all thought to be the worst idea of this Congress, and that was the argument to privatize Social Security.

Now that is the context in which we have moved to the next round of their proposals. Nobody who is watching should kid themselves tonight. This is about a tax cut for the wealthy, dividend and capital gains. I defy anybody on the other side to challenge the following statement: Half of this proposal tonight with tax reconciliation included, half of the dividend and capital gains cuts will go to people who make more than $1 million a year.

□ 2300

Now, we brought that up the other night at the Ways and Means Committee. That was not a fact that was challenged. That was accepted as part of the debate. So we are going to talk about dividends and capital gains cuts at this moment, and then I want to draw attention to those 148,000 men and women in Iraq who serve us with honor and distinction every single day.

You know what their reward was? Two months ago, the Humvees arrived. The body armor is starting to arrive. But you know what? Only in this Congress, with this Republican leadership, could they declare there is a crisis in Social Security after they have ripped $1.3 trillion out of the budget. The answer to not having Humvees, not having body armor: let us have another capital gains cut; let us have a dividend cut.

The title of this Congress is, we are rich and we are not going to take it anymore. Everything we do here is for the strongest, most powerful.

I asked the other night at the committee, does anybody ever read the gospel of Matthew? To clothe the naked, to feed the poor and to provide dividends and capital gains relief to the

rich? Because that is where we are going with this debate.

This is about what is happening to the middle class tonight. They are going to cut student loan opportunities. The Senate is going to cut Medicare. Medicaid comes up before you know it. All of this is being done so they can shoe-horn a rigid, intransigent ideology.

There is no flexibility with the modern Republican Party. Everything they do is to satisfy a constituent group in America called the wealthy. Every step they take is to reinforce the separation of class along budgetary lines.

Vote down this proposal tonight and stand up for those men and women in Iraq and get them the equipment that they need.

Mr. RANGEL. Mr. Speaker, I yield 2½ minutes to the gentleman from Washington (Mr. MCDERMOTT) to share with us some of the reforms that the poor will have to suffer under.

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

Mr. MCDERMOTT. Mr. Speaker, here we are with the rubber-stamp Congress again.

Over the past 4 years, Mr. Speaker, the number of Americans living in poverty has grown by 5.4 million people. The number of Americans without health insurance has increased by 6 million people, and the number of Americans who are living in hunger has grown by 5 million people in the last 4 years.

Now, this is the time that the Republicans chose to cut funding for programs that help families escape poverty, access health care, and put food on the table. Did we not learn anything from Katrina?

The bill before us cuts Medicaid, food stamps, child support enforcement, foster care, student loans and every other plan that helps people on the bottom. It is lucky we are going to get to vote about this right after midnight. So in one day we can cut the living daylights out of the poor, and then we will bring out the gifts for the rich.

We are going to have a bill tomorrow with tax breaks for capital gains and dividends. Over half of those benefits, as we just heard, uncontested by the other side, they stand there with a straight face and say we have to cut food stamps so we can give a tax break to people making more than $1 million. I mean, why do they have to give them a $100,000 tax break next year? What is that about, when you are saying to people we are going to take away your food stamps, we are going to take away your child care? Listen, lady, you leave your kids at home and you get out and get a job. But what about some child care? Well, that is not our problem. You figure it out, dear.

330,000 mothers are going to be sent out to work with not one thin dime of child care support. For a bunch who says leave no child behind, you are so shameless.

I remember, what was it that Welch said to McCarthy, Don't you have any decency left over there at all, that you would come in on the same day and vote these cuts, and right behind it, or, well, you let us go home and sleep for 6 or 7 hours. I understand you think that will separate and the public will never know because it will all be wrapped up in one day.

The American people are not stupid. They know we ought to vote this down.

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

How is this working? I mean, we have made some serious accusations about what these people are doing to the poor, and we have not heard from them; and three of us have spoken. I mean, is the public not entitled to hear something in response to what we say they are doing to the country? I am asking, if they do not want to speak, then I would like to yield the remainder of the time to the gentleman from California who might share our concerns about the poor and believe that those who God has blessed should be sharing some of those blessings with the rest of our citizens.

Mr. Speaker, I yield the rest of the time remaining to the gentleman from California (Mr. BECERRA).

Mr. BECERRA. Mr. Speaker, I thank the gentleman for yielding time.

We were told during this debate on Social Security that we could save Social Security by privatizing it, and the American people got it and said no. We were told by the Republican Congress and the President that we could cut taxes and still be fiscally responsible; and today we have the largest deficits we have ever seen, and the American people are beginning to get it. We were told that if we went to Iraq we were saving America from mass destruction; and today we know it was a misrepresentation and deception, and the American people today are getting it.

Today, we are being told that we have to cut $12 billion in health care for seniors, disabled, and children. We are being told we have to cut $14 billion from students who are trying to go to college. That amounts to about a $5,800 cut in student loan programs for each and every middle-class American child who wants to get a college education. We are being told we have to get $5 billion out of the enforcement programs that would compel deadbeat dads to pay their child support, and we are being told we have to cut $600 million out of foster care programs that rescue abused and neglected children from dangerous households.

We are being told we have to do that for what, to reduce the deficit? To pay for the cost of Katrina? And guess what? The American people get it. It is not going to be for that. It is going to be for this, the tax cut that will do what we see here.

Every one of those cuts I just talked about, those children, those seniors, those disabled, they fall here. They have incomes up to about $40,000. They represent over half of America's taxpaying families. They will get out of this tax cut that we will see come up tomorrow or soon thereafter 1 percent of this tax cut. Who gets the lion's share? That over-50 percent lion's share will go to this percentage up here, one-fifth of 1 percent of all American taxpaying families. That is the folks who make $1 million or more.

The American people are getting it. Unfortunately, too many people here in this House of Representatives are not.

We cannot pass this type of fiscally irresponsible budget and tell the American people we are doing good for them. We have got too many good men and women in Iraq fighting for the freedoms that we say we are trying to uphold, and here we are giving money to the wealthiest Americans.

Vote against this reconciliation bill and get it for the American people.

Mr. NUSSLE. Mr. Speaker, I yield myself as much time as I may consume to respond to just say I have had a chance to check out Matthew in the Bible, and I want to let you know that Matthew was referring to Jesus's speech to people.

Jesus did not say raise a bunch of taxes, create 1,000-page tax code, hire millions of government workers, build hundreds of big white fancy buildings, stick them in there, create a system, pass a bunch of mandates, a bunch of regulations, all sorts of paperwork, measure your compassion by increases only in order to feed the hungry and clothe the naked. He said you do it as an individual.

So do not measure compassion by government. Measure it by what you are willing to do for the least of your brothers.

Mr. Speaker, I yield 1½ minutes to the gentleman from Florida (Mr. CRENSHAW), a member of the committee.

Mr. CRENSHAW. Mr. Speaker, I thank the gentleman for the time, and I hope tonight we can all join together and take this historic step toward getting our financial house in order.

We took step one when we lowered taxes and let people keep more of what they earn, and millions of Americans benefited from that. When they felt that bump in their paycheck, they could be free to save that money for retirement or they could invest it in the stock market or their small business or they could buy something for the family or make a down payment on a brand new home, and it worked. People went back to work. The economy is moving again. Four million new jobs were created.

Tonight, we are taking step two. We are going to get a handle on the way we spend money around here. We are going to reform the way we spend money because that is what we need to do.

We have got to tighten our belt just like every family has to do from time to time. We have got to set priorities. We have got to make hard choices because we all know that government

needs money to provide services; but it seems to me right now, at this very moment, government needs something more.

Government needs discipline to rein in spending. Government needs courage to make the right decisions even when they are hard; and government needs a commitment to reform itself, to reform the way it spends money, to make sure that every task of government is accomplished more efficiently and more effectively than it ever has been before, because if life is going to change in this country, life has to change in Washington.

This bill takes a giant step in that direction. I urge your support.

Mr. SPRATT. Mr. Speaker, I yield 2 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, what have America's children ever done to the Republican Party? Because if one looks at this budget bill, one can only conclude that children have somehow wronged House Republicans. Why else would there be an all-out assault against our Nation's most vulnerable and their families.

This Republican budget guts vital services for New Jersey's working families and those across the country. For a party that talks about family values, in this bill Republicans walk away from nearly every responsibility we have as parents and legislators.

What type of value cuts more than $14 billion in student loan funding, increasing the costs of college for American families by $6,000?

What type of value could deny 6 million children the health care they need, adding to the 9 million children who are uninsured?

What type of value decimates Federal funding for child support enforcement by $5 billion, allowing deadbeat parents to avoid their responsibility?

What type of value leaves an estimated 270,000 children without child care while cutting foster care by over $500 million?

What type of value forces 300,000 low-income families to lose their food stamps?

What type of value increases the deficit by over $100 billion, leaving our children and our grandchildren to repay tomorrow the tax cuts we are giving to the wealthy today?

The chairman talked about the bureaucracy that failed the people of the gulf coast. It is your Republican administration that failed them and fails them tonight.

This is compassionate conservatism. Vote down this immoral budget, and let us work together to enact a budget such as the Democrats offered previously that truly reflects the values and the priorities of all the American people. Together, America can do better.

Mr. NUSSLE. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Mississippi (Mr. WICKER), a member of the committee.

Mr. WICKER. Mr. Speaker, I thank my chairman for yielding me time.

Mr. Speaker, in the brief time I have allotted, I want to talk about one of the important reasons why this bill needs to be enacted, and that is with regard to the reforms we have in Medicaid.

Currently, Medicaid provides medical care for 53 million Americans at a cost exceeding $300 billion each year. It is a great program; but Medicaid is already the biggest item in many State budgets, exceeding elementary and secondary education combined. If unreformed, Medicaid will bankrupt every State in as little as 20 years, absorbing 80 to 100 percent of all State dollars.

□ 2315

Because of these stark realities, the bipartisan National Governors Association has stated that serious Medicaid reforms are needed. The Deficit Reduction Act, which we vote on tonight, takes an important step in that direction by slowing the rate of growth in this valuable program.

Currently, Medicaid grows at a rate of 7.7 percent per year, as indicated by this chart, making it one of the fastest growing programs in the government. The plan included in this legislation tonight reduces the Medicaid rate of growth over the next 10 years from 7.7 percent a year to 7.5 percent annual growth rate. While this is a very small change, the bill includes necessary reforms to address the problem before it is too late.

The plan provides greater flexibility for our States and its governors. Under the current program, governors cannot tailor Medicaid benefits to meet the needs of the people. Under the new plan, they can.

The most irresponsible thing we can do at this time, Mr. Speaker, is to do nothing. I urge the Members to vote for this bill.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentleman for yielding me this time.

It is interesting that the good friend on the other side wants to quote the Bible. Let me simply remind him that the Good Samaritan says that we are, in fact, our brothers' and sisters' keepers.

This budget, which causes an offset not on taxes and the rich but the offset on the backs of those in Hurricane Wilma, Hurricane Katrina, Hurricane Rita, what would you give to the answer of those who are going to be evicted in 2 weeks from hotels because this government says it has no money? And then we add insult to injury by cutting Medicaid $11 billion, student loans $14 billion, food stamps another $796 million, and we throw the crying mothers and the hungry babies to the streets.

This is a budget that cries for shameless disgraceful attention to the other side of the aisle.

Why are we mad, Mr. Speaker? We are mad because the American people are suffering the brunt of the inconsistencies of the other side of the aisle who want to give taxes to the rich and do not want to give equipment to the soldiers, but they want to break the backs of Americans.

Vote ''no'' on this budget reconciliation and send us to victory in 2006 so we can take back America from these people who do not understand.

Mr. Speaker, we have before us perhaps the most important piece of legislation that we will vote on all year, H.R. 4241, the Budget Reconciliation Spending Cuts Act. This $50 billion of spending cuts have turned everything we believe in as a country on its head. The Republicans are actually asking the poor, the downtrodden, the disabled and the young to sacrifice on behalf of the rich. I want to emphasize that these cuts are not meant to free up money to rebuild the gulf coast. In fact, many of these proposed cuts will actually hurt those affected by Katrina. Overall, the plan before the House will increase the deficit and the national debt.

From a Homeland Security standpoint, H.R. 4241 proposes to cut funding for the COPS program by $480 million and to remove important funding for local firefighters by $215 million—cuts of 80 percent and 30 percent, respectively. As ranking member of the Judiciary Subcommittee on Immigration, Border Security, and Claims, I am outraged at the fact that its provisions seek to break the promise of putting an additional 2,000 border patrol agents on the job in 2006, as promised in landmark intelligence reforms passed late last year and endorsed by the 9/11 Commission. The budget provides funding for only 210 agents. Overall, the plan before the House will increase the deficit and the national debt.

In the Homeland Security Committee, we completed a markup of a border security measure, H.R. 4312, that proposes to enhance the way our Department of Homeland Security protects our international borders and ports of entry. The cuts contained in the legislation on the Floor will render this measure a nullity if there are no resources available to execute its provisions.

From a healthcare perspective, there are 45 million Americans living today without any health insurance at all, but this budget cuts $11.4 billion over 5 years from Medicaid, and $46 billion over 10 years. The budget includes a proposal to expand enrollment in high-deductible health savings accounts would actually increase the number of Americans without insurance by 350,000. It also includes language which allows States to increase premiums and decrease coverage to children. This bill decimates health care funding for children, the elderly, and people with disabilities and making it even harder for families to afford nursing home care.

As founder and co-chair of the Congressional Children's Caucus, as a person who understands the value of our Nation's youth, and as a mother of two children, I really want to bring focus on the effect this bill will have on our nation's children. If you have children who are in, or who are considering going to college, I want you to listen to this: this republican spending cut will place an added burden of $7.8 billion dollars directly on our students over the next five years. This is accomplished. through added fees of $4.8 billion, and increases of interest rates. A typical student borrowing money for college could pay up to $5,800 more. This is in the face of college costs up over 7 percent this past year alone.

Allow me to cite some of the specific cuts I, and our constituents across the country, find so objectionable:

Medicaid—The bill cuts Medicaid spending by$11.4 billion nationwide.

Student Loans—The bill cuts spending on student loan programs by $14.3 billion over 5 years.

Food Stamps—The bill imposes cuts to food stamps of $796 million over 5 years, affecting nearly 300,000 people.

Child Support—The bill cuts $4.9 billion from child support programs over 5 years. Custodial parents will receive $7.1 billion less child support over 5 years and $21.3 billion less over 10 years.

Foster Care—The bill cuts $397 million from foster care over 5 years.

These are some big numbers, and we politicians love to throw around big numbers, but often times it is difficult to understand the true impact of what these numbers mean. Let me break some of these numbers down to what they will mean to my State of Texas, because the devil really is in the details for this legislation.

One program the Republicans are trying to cut is Child support enforcement. It is said that for everyone $1 the government puts in to collecting money from de ad- beat dads, the family receives $4 back In Texas, this bill will cut $411 million from child support enforcement in the next 5 years.

In Texas, this bill will cut $110.2 million from Elementary and Secondary Education. This breaks down to $52.8 million for education for the disadvantaged, $18.9 million for special education, and $34.7 million for school improvements.

In Texas, this bill will cut $6.8 million in vocational and adult education—in other words, job training.

In Texas, this bill will cut $5.9 million from Low Income Home Energy Assistance. This program helps poor families heat their homes, not forcing a family to choose between paying heat and groceries. This bill is projected to cut 3,600 recipients from this program next year. Nearly 600,000 people will lose the program nationwide.

In Texas, this bill will cut nearly $1 billion from WIC, the Nutrition Program for Women, Infants and Children. Eighteen thousand recipients will be cut from this program in Texas.

In Texas, this bill will cut $45.5 million in Children and Families Services, including Head Start and Services for Abused and Neglected Children; 2,000 children will be cut from this program next year.

In Texas, 4,700 people will lose their housing vouchers as a result of cuts offered in this bill.

In Texas, this program will cut $2.8 million from the Maternal and Child Health block grants, which provide money to support the efforts of our public health departments to reduce infant mortality, improve prenatal care for pregnant women, provide child health prevention services, and more.

In Texas, we have 400,000 students borrowing money for school. For the typical student borrower, new fees and higher interest charges in this bill could cost each student as much as $5,800.

This is not how we take care of our own in Texas, and this is not how we do things in the United States. The Republicans are launching an unabashed attack on the American way by slashing funding towards those that are most vulnerable. And don't you be fooled. These spending cuts aren't meant to offset the costs of rebuilding the gulf coast, these spending cuts are meant to offset tax cuts that will benefit the rich.

Mr. Speaker, we can not allow the burden of the $70 billion in tax cuts to be placed on the backs of our Nation's neediest families. The decision to vote up or down on this legislation isn't a blurry line involving political ideology; it isn't a debate of republican vs. democratic philosophy. This is black and white. This cut hurts the children, it hurts the poor, it hurts the old and it hurts the young. I am strongly opposed to this legislation, and I implore my colleagues on both sides of the aisle to vote against these unreasonable cuts.

Mr. NUSSLE. Mr. Speaker, it is all politics.

Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Kansas (Mr. RYUN), member of the committee.

Mr. RYUN of Kansas. Mr. Speaker, as we take up the Deficit Reduction Act, I think there are a few things that Americans should know. This bill has been demonized, demonized by those who want to ignore the growing Federal deficit, the waste, the fraud, and the abuse that exist in several Federal Government programs. But we all know that entitlement spending is growing at nearly three times the rate of inflation and that we simply cannot sustain that growth.

Entitlement spending on programs such as Medicare and Medicaid and Social Security make up 54 percent of the government spending now, and it is projected to double in the next decade. Medicare is growing at over 7 percent annually and Medicaid is at 8 percent annually.

There are no easy answers to this problem, Mr. Speaker, but if we do not act on these programs now, they will only grow worse.

The Deficit Reduction Act simply starts with the most obvious, common-sense reforms to save taxpayer dollars by finding waste and abuse in entitlement programs and eliminating them so that the funds that we put into these programs go to people who really need them.

In my State of Kansas, a pharmacy recently received a Medicaid payment of $1 million for eardrops that only cost $1.95. Mistakes happen, Mr. Speaker. But in a program that is growing at an unsustainable rate, we need to do all that we can to eliminate waste, fraud, and abuse.

The Deficit Reduction Act takes a very important first step to pay for entitlement spending by making common-sense reforms to outdated programs so that we can help those most in need instead of enriching those who abuse the program.

I urge my colleagues to vote for the Deficit Reduction Act.

Mr. SPRATT. Mr. Speaker, I yield 12 minutes to the gentleman from Michigan (Mr. DINGELL), the dean of the House, and I ask unanimous consent that he be allowed to control that time.

The SPEAKER pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from California (Mr. WAXMAN).

Mr. WAXMAN. Mr. Speaker, 75 percent of the so-called savings from Medicaid come from higher cost sharing, reduced services, or barriers to sick people getting care and old people and people just scraping by having their needs met. But mostly they come from kids.

Fully half of the people affected by the reduced benefits will be children, and many of them will be children with special needs and disabilities. These are the kids with spina bifida, cerebral palsy. These are the kids with developmental disabilities and autism. These are the kids with mental illness. These are the children that need a full array of medical support and rehabilitative services. These are the kids where the care demands are endless, where families need help to support them and care for them. Parents of special needs children know that. They know that the idea of cost sharing for these kids so that they do not overutilize services is ridiculous.

One of Medicaid strength for all children, but particularly special needs children, has been the benefit known as EPSDT, or early and periodic screening, diagnosis and treatment. That is a lot of words for one simple concept. Screen kids early. Find and diagnose their health problems. Give them the care they need. Give them eyeglasses. Give them mental health services, give them physical therapy. Make them into the healthiest individuals possible. Let them realize their full potential.

But this bill changes that. It takes away these services for millions of kids with family incomes just above the poverty line. It takes away benefits. It imposes premiums and cost sharing that we know will be barriers to care. In fact, CBO estimates the savings because people will not get the care they need. What kind of sense does this make?

I urge my colleagues to vote against it.

Mr. Speaker, this bill, the so-called Deficit Reduction Act, is not about reducing the deficit. If that were the concern of the majority, they wouldn't be cutting taxes for the wealthy and adding to the deficit for all Americans.

This bill is not about taking on the special interests who can afford to give up some of their corporate welfare. You don't see provisions in this bill that take away overpayments for HMOs. You don't see any provisions asking the big drug companies to give a fairer price to Medicaid.

This bill isn't about helping Children's Hospitals or providers that serve the uninsured get better support. Instead, this bill requires them to take inadequate payments when managed

care enrollees end up in their emergency rooms. This bill asks them to absorb lost dollars because they either have to eat the cost of copayments that poor kids and persons with disabilities can't afford to pay—or else turn them away without giving them the medical care they need.

What this bill is about is putting the burden of reducing Medicaid expenditures on those least able to bear it. Fully three of every four dollars this bill "saves' in Medicaid come from higher cost-sharing or reduced services ir barriers to care for the people who need help the most.

Who are we talking about here? This is going to have the greatest effect on low-income children. Fully half of the people affected by the reduced benefits will be kids. And many of those children are children with special needs and disabilities.

These are kids with spina bifida and cerebral palsy. These are kids with developmental disabilities and autism. These are kids with mental illness.

These are children that need a full array of medical, support and rehabilitative services. These are kids where the care demands are endless, where families need help to support them and care for them. Parents of children with special needs know that.

They know that private health insurance, even if they could get it, doesn't have the services these kids need. They know that the idea of cost-sharing so that services aren't overutilized for these kids makes no sense.

One of Medicaid's strengths has been the benefit known as EPSDT, or early and periodic screening, diagnosis and treatment. That's a lot of words for one simple concept. Screen kids early and find and diagnose their health problems, and then give them the care they need to treat them. Give them eye glasses. Give them mental health services. Give them physical therapy. Make them into the healthiest individuals possible. Let them realize their full potential.

This bill changes that. It takes away these services for millions of kids, with family incomes just above the poverty line. It takes away benefits. It imposes cost sharing so that there will be barriers to getting service.

So what if their family is struggling to exist on a little over $1000 month. Let's ask them to pay 5 percent of that in cost-sharing. If they can't afford it, and it keeps their kids from getting services, well it's just too bad.

What kind of sense does this make. Noone benefits if kids don't get the health services they need to grow up as healthy and productive individuals.

The Republican majority tries to justify this by saying copayments haven't been increased for years. That is a bogus argument. The fact is low-income people spend an increasing portion of their income on out-of-pocket medical expenses. A recent study showed that between 1997 and 2002, their out-ofpocket obligations increased twice as fast as their incomes. That's the relevant point.

This bill also puts some heartless barriers in the way of moderate income seniors who need nursing home care. People who innocently help their children or their grandchildren by giving them some small amount of their savings, or people who unselfishly give money to their church or to charities, find themselves unable to get Medicaid help when they need it.

They are accused of transferring their assets to get Medicaid to pay their nursing home bills. At the very point when they are desperately in need of Medicaid help, they get penalized for a transfer that might have occurred 5 years ago. They haven't got the money to pay for their own care. They can't get Medicaid. What will happen to them? And if they do get into a nursing home, what will happen to the quality of care that nursing home can provide if they aren't being paid? Is this the way we want to treat our seniors?

This bill deliberately tries to evoke the fear of illegal immigrants to take benefits away from needy people. With food stamps, the rhetoric is about illegal immigrants, but the reality is that immigrants who are here legally, and have been in the country legally for 5 years, get food stamps taken away. Why? Because the Republican majority evidently feels they can take help away from them with impunity because they are powerless.

It is similar in Medicaid. This bill imposes a requirement of documentation of citizenship that is going to block many needy citizens from getting necessary care. In order to be covered, people will have to document their citizenship with passports or birth certificates. Many poor and elderly people don't have those papers available. So they simply won't be helped.

There is a pattern here. Whether we are talking about arbitrarily taking food stamps from legal immigrants or putting barriers to care in front of sick children, this bill takes its savings from people who are the most vulnerable and in need of help.

They haven't got high priced lobbyists to argue for them. They're not getting special treatment and big tax breaks. They are just at the end of the line, relying on our health care programs.

If you've got a conscience, if you've got compassion, you cannot support this budget reconciliation bill. Stand up and insist on finding a fairer way. I urge my colleagues to vote "no."

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

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Massachusetts (Mr. MARKEY).

Mr. MARKEY. Mr. Speaker, what we have going on here tonight is a huge con game. That is what the Republicans are playing on the American public. A re-con-ciliation game. What they do, these Republicans, is they cut the money from Medicaid. Sixty percent of all seniors are on Medicaid in nursing homes. One third of all babies born in the United States are born on Medicaid. They are cutting student loans. They are cutting money from food stamps for poor people.

They tell us they want to reduce the deficit. But, no, their money goes over to the ''ways and means'' Republicans who are giving a $50 billion tax break to the wealthiest Americans. Fifty-three percent of the dividends of the capital gains breaks go to the fat cat Republicans. And then because they are not happy with that, they borrow another $7 billion for more tax breaks, increasing the deficit, which will bring them back here next year with crocodile tears about how much they care about the deficit, which will bring them back to the poor people, seniors in nursing homes, one third of all babies, student loans, for more tax breaks to give away to the wealthiest in America.

It is a re-con-ciliation game they are playing. They do not care about the deficit. They only care about these Republican fat-cat millionaires who are getting this money after all of the programs for the poorest seniors and children and students in America are cut as they increase the deficit, a con game where they increase the deficit while taking the money from the poorest in our country.

Vote ''no'' on this re-con-ciliation con game where the crocodile tears will be shed for the rest of the night about how much they care about the deficits when all it is, is a way to transfer money to every millionaire in America. Vote ''no'' on this con game.

Mr. NUSSLE. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from North Carolina (Mr. MCHENRY).

Mr. MCHENRY. Mr. Speaker, the only con game we have here in the House this evening is from the other side of the aisle. We have cons and cons.

Have I made my point? Have I made my point? Do we hear enough hypocrisy from the left on this budget? Do we hear enough shouts and screams about how we are hurting people?

What we are trying to do is save future generations from mountains and mountains upon mountains of debt. And what we are trying to do is reform the budget. The only con has been perpetrated through rhetoric here on the House floor, Mr. Speaker.

The deception is saying that we should do nothing, that we should allow our government to continue on this massive growth rate that 40 years of Democrat control provided this country.

I think it is wrong to leave future generations in debt. I think it is right to step forward and reform much-needed programs in this country to ensure that Medicaid is available to future generations, that student loans are available to young people. We must reform these programs to make sure they are available in the future. Not to look the other way, not to provide more tax increases, not to provide for a larger, more intrusive government.

Let us stop the con, Mr. Speaker. Let us provide for budget reform and reconciliation. I thank the gentleman for this moment to ensure that no future cons are provided here tonight.

Mr. SPRATT. Mr. Speaker, I yield myself 20 seconds.

To respond to the gentleman, he may be too young to remember, but 5 years ago, we bequeathed the Bush administration a surplus of $236 billion. This is what has happened in the last 4 fiscal years. The statutory debt ceiling of the United States has been raised to accommodate the budgets of the Bush administration to the tune of $3 trillion.

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman from Michigan for yielding me this time.

Hurricane Katrina exposed poverty for what it is. It reminded us that poverty ensnares Americans who work hard, who pay their taxes, who play by the rules. Yet on the wages they earn, millions of Americans are falling further behind. They often cannot afford health care. They cannot afford child care. They cannot afford transportation, and they cannot afford our indifference.

I cannot understand how less than 3 months after Katrina, Republicans can take Medicaid away from people who need it. Medicaid is not a luxury. It is a lifeline. It does not pay for luxuries. It pays for health care and nursing homes. Medicaid does not protect some of us; it protects all of us. Disability, job loss, disappearing pensions, natural disasters, aging parents. If one is an elderly American living in Ohio, they must be living at or below 64 percent of poverty to qualify for Medicaid. What is an elderly American who earns $5,800 a year going to do while she waits for Medicaid to help her?

Time and again, Republicans feed on programs for the poor to finance tax cuts for the rich. It does not matter if the Nation is paying for a war, rebuilding after a hurricane, running up record deficits, or bleeding jobs right and left. Their policy is always the same: cut programs for the poor, give tax breaks to the rich.

When this bill was considered in the Commerce Committee, I offered an amendment to leave Medicaid funding alone and, instead, eliminate $20 billion in overpayments to insurance company HMOs. Republican leadership said no. They want to take care away from people who desperately need our help, but they do not want to eliminate bonus payments to insurance company HMOs. And the President agrees. He said he would veto the bill if we touch those HMO payments. But he is fine with our cutting Medicaid. I guess the elderly in nursing homes do not make political contributions to the President.

Mr. Speaker, it was the American people, not the insurance company/HMO industry, who hired us. Vote ''no.''

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

Mr. DINGELL. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Maine (Mr. ALLEN).

□ 2330

Mr. ALLEN. Mr. Speaker, on the issues we are debating tonight, Republicans can only see numbers on a page; they are blind to the people whose interests they are sacrificing to protect tax cuts for the wealthy.

This bill provides fewer services to fewer people. That is a cut. This Republican bill allows States to impose higher copayments and premiums on Medicaid beneficiaries who are on Medicaid precisely because they are poor. Take, for example, people who are chronically ill. Most people with diabetes, schizophrenia, Alzheimer's or other chronic conditions are dependent on multiple medications. Once you charge higher copayments for their medications, they will start to skip their drugs. Studies have shown that doubling copayments by the chronically ill will reduce their use of prescription drugs by 8 to 23 percent.

When people on Medicaid can no longer afford their medicines, when they cannot afford to call a doctor, they do not disappear, they do not get well, they just get sicker or they go to the emergency room.

The CBO has concluded that 80 percent of this bill's so-called savings from raising costs to beneficiaries comes from decreased use. In short, you are just taking health care away from people who need it. Moreover, you are cutting health care services to Medicaid beneficiaries and calling it reform. Immoral and inhumane would be better and more accurate words.

This bill strips health care from all types of Medicaid beneficiaries, from children and their parents, the disabled, the elderly and the chronically ill. No amount of Republican rhetoric can hide that truth. America can do better. Vote down this bill.

Mr. NUSSLE. Mr. Speaker, these are the same arguments we heard before we reformed welfare and unlocked 30 million Americans from the dependency of government.

Mr. Speaker, I yield 1½ minutes to the gentleman from Florida (Mr. MARIO DIAZ-BALART).

Mr. MARIO DIAZ-BALART of Florida. Mr. Speaker, I have heard a lot of screaming from the Democrats from the extreme left saying that they are mad, and even some personal insults tonight which is, frankly, unfortunate. I think it is because Democrats, I guess they think if they say it loud enough and scream loud enough, they can hide and drown out the facts.

Mr. Speaker, we have heard tonight, they loudly scream against the high deficit, and then they do not want to do anything to reduce the deficit. Right here we heard leaders of the Democratic Party loudly criticizing tax cuts. Those are horrible. But let me quietly quote what they said just 2 days ago about some tax cuts.

Let me quote, for example, the gentleman from New York (Mr. RANGEL) about a $10 billion tax cut over 5 years offered just 2 days ago. He said: I ask that the amendment be passed by unanimous consent. So 2 days ago he liked that tax cut. But wait, there is more.

The gentleman from Washington (Mr. MCDERMOTT), who we heard a little while ago screaming to try to drown out the facts, said 2 nights ago about tax cuts: Mr. Chairman, I do not think anyone is going to oppose this cut, like the other ones.

Mr. Speaker, they cannot speak from both sides of their mouths.

Mr. DINGELL. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California (Ms. ESHOO).

Ms. ESHOO. Mr. Speaker, I thank the distinguished ranking member for yielding me this time.

Mr. Speaker, I think this evening is really a very sad moment for our country. I think that we have hit, unfortunately, sadly, a new low. This Republican bill can be summed up as follows: tax cuts for the most privileged in our country come first. That is their priority, and what is on the other side of this? What is on the other side of this? Child support enforcement and Medicaid, which is the safety net of health care.

Mr. Speaker, who bears the burden of this? Where do these cuts fall? On the most vulnerable people in our society. America can do better than this. This is not just a cut in program. This is a cut in our moral fiber. This is a cut. It cuts to who and what we are as a society. This is wrong. This is wrong, and I think many of my colleagues on this side of the aisle understand that as well.

We are asking Americans at the bottom of the scale of our Nation to bear the heaviest burden, and the tax cuts deliver almost 80 percent of their benefits to the top 3 percent of our people. That is not who and what we are. We can do so much better. I urge all of my colleagues to stand up for what the best of the American people is all about, and that is not in this bill.

Mr. NUSSLE. Mr. Speaker, I yield 4 minutes to the gentleman from Virginia (Mr. GOODLATTE), one of the eight very distinguished committee Chairs who worked on the bill.

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

Mr. GOODLATTE. Mr. Speaker, I thank the chairman for his good work on this important legislation.

Mr. Speaker, we have heard a lot of rhetoric from this side of the aisle about what this is about today. Let me tell Members what this is about. This is about reforming programs that are important to the American people, but they do not always work properly. They do not always reach the people that the programs are intended to reach; and these positive reforms which are a modest, a tiny percentage of the $2.5 trillion that this government will spend next year, more than $12.5 trillion over the next 5 years, to save $50 billion is not a very big percentage.

I would say to my colleagues, Where is your plan to reform programs? Where is your plan to achieve savings? What are you doing for the American people, the American taxpayers? And, yes, even the people who depend upon the programs that you claim to so strongly support. And yet you will do nothing to protect the programs by

putting in the reforms that are necessary.

I will tell you where their plan is, it is locked up. And I will tell you why it is locked up, because what that plan primarily consists of is raising taxes on the American people. The reason they want to raise taxes is because they are opposed to the effort to do what has done wonders for our economy in the last few years, and that is to extend the tax relief that we have provided to stimulate the economy, create jobs, bring the unemployment rate below 5 percent; and they have done nothing except wait in the wings to raise taxes on the people of this country. That is what this is all about.

That is the party of spending. They will not come forward with any savings. That is the party of taxes, the tax and spend Democrats, the same way they have always been. That is why we are here today with a responsible plan in response to this abuse that they would sit here and attack modest reforms of important programs and suggest that, as a result of that, they can sit back with nothing and wait for the opportunity to raise taxes yet again on the American people.

The last time they were in power, the last thing they did was to impose the largest tax increase in history on the American people, and we should not ever allow them that opportunity again. That is what they are trying to achieve here by bringing down this plan, and they should not be allowed to succeed.

Let me talk briefly in the time remaining about the reforms we have made in important programs under the jurisdiction of my committee.

First of all, we have approached this across the board. We have achieved fair savings in farm programs which keep the programs intact. We have achieved savings in conservation programs that make those programs work better. We have achieved savings in research for agriculture. We have achieved savings in other areas that are important. And, yes, we have also achieved savings from the food stamp program: one-half of 1 percent of the $180 billion that will be spent on food stamps in the next 5 years is what we are hoping to achieve. It is less than one-half of 1 percent. It will affect less than 1 percent of the 24 million Americans that receive food stamps. And it is targeted at whom? People who are not citizens of the United States who signed a document that said they would not become wards of the State and who by virtue of having been in this country for more than 5 years are eligible to apply for United States citizenship and avoiding the savings we are attempting to achieve by not giving food stamps to people who are not citizens of this country.

Secondly, we say that under the food stamp program if you are attempting to achieve food stamp benefits through a particular State's programs, you ought to qualify for real welfare programs like the TANF program. The bridge from welfare to work ought to be sustained, but it ought not be abused by those who would do so. Those are the savings we want. They are good reforms, and we ought to pass them.

We are here today in a good faith effort to continue putting the Nation's fiscal house in order. Some have questioned the need or the degree to which mandatory spending should be reduced. I would remind my colleagues that mandatory spending today takes up almost 55 percent of the total federal budget and, if left on its current path it will, within a decade, consume 60 percent of the federal budget. Clearly, it is unrealistic to think we can meet the pressing challenges facing our Nation without reducing Federal spending and redirecting priorities.

The House and Senate agreed to reduce mandatory spending by $34.7 billion earlier this year to start reining in mandatory spending. Paying for hurricanes and other disaster assistance—in addition to addressing the threat of international terrorism here and abroad—has necessitated targeted reductions in spending by all authorizing committees, including agriculture.

Eight House Committees were instructed to put together a reform savings plan to reduce the growth in mandatory spending over the next five years to reduce spending and address some of the Nation's most pressing financial needs. The committees were asked to do more and I am pleased to report that the committee on agriculture headed this call and reported out savings above the $3 billion we were originally asked to find.

From the beginning of this process it was the goal of the House Agriculture Committee that no single program should bear a disproportionate share of the spending reductions. The committee's final recommendations are balanced terms of the impact they will have on the many diverse interests that will be affected by this reform savings plan.

The Agriculture Committee's savings plan includes an overall reduction in mandatory spending of $3.48 billion over five years (FY06–10). The savings package includes reductions in a variety of programs under the committee's jurisdiction including commodity, conservation, energy, rural development, research, and food stamp programs.

There are some who have suggested that food stamps take a disproportionate share of the spending reductions. This is simply not the case. While food stamps comprise nearly 60 percent of the agriculture committee's mandatory spending, they account for only 19 percent of the total savings under the package. The proposed reductions account for less than a half a penny for every dollar spent on the food stamp program.

Under the agriculture's reform savings plan, eligibility requirements are harmonized between Federal assistance programs so that food stamp benefits go to those truly in need.

By tightening the categorical eligibility for some temporary assistance to needy families (TANF) recipients as well as the eligibility requirements for non-citizens, this legislation ensures that the Nations most needy will continue to receive this Federal assistance.

When an individual enters the country to become a legal permanent non-citizen, an affidavit is signed indicating that they will not participate in programs such as food stamps; however, this is not the reality. Under current law, non-citizens are eligible for food stamps after five years of resident status. The house agriculture committees savings reform plan extends this time requirement to seven years.

This provision will not affect children non-citizens. Non-citizens who are 60 years old and above and are currently receiving food stamp benefits on the date of enactment will not be affected. Additionally, non-citizens who have submitted their citizenship application by date of enactment and currently receive food stamps would still be eligible to receive food stamps.

After five years, non-citizen residents can apply for U.S. citizenship. If approved, they can apply for food stamps immediately. If someone chooses to remain a non-citizen, that choice will result in a longer waiting period to qualify for food stamps.

It is essential that the House approves a reform savings plan. While all government safety net programs—including agriculture—need to be sustainable, the burden of addressing the nation's budget pressures needs to be broadly shared in order to be effective. Let me also say that in an ideal situation we would have had the support of the minority in moving this reform savings plan forward, However, in the absence of bipartisan cooperation, it is incumbent on those of us who are privileged to serve in the people's house that we address the budgetary problems facing the Nation. I urge my colleagues to support the deficit reduction act.

Mr. SPRATT. Mr. Speaker, I yield myself 15 seconds.

Mr. Speaker, I would say to the gentleman who said our budget is locked up, well, here it is. It is right here on the table. We introduced it several months ago. It will go to balance in the year 2012 and accumulate about $200 billion less debt than theirs.

As for tax and spend, his is tax and borrow, Mr. Speaker. For the last 4 years, the debt ceiling has been raised four times by $3.15 trillion under your administration and your watch.

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

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

Mr. DINGELL. Mr. Speaker, I can understand why my Republican colleagues do not want to get close to the facts. What are the facts? First of all, when this administration came into office, there was a $2 trillion surplus. Now we have increased the national debt by $3 trillion, and they have spent the $2 trillion besides. No wonder they do not want to talk about the facts.

They are cutting $11.4 billion out of Medicaid. Why are they doing so? To fund additional tax cuts. The richest 0.2 percent of the country has already gained an average of $103,000 from the Republican tax cuts, but the Republicans have a fine program: they are going to cut funds for women, poor children, individuals with cystic fibrosis and other chronic diseases, elderly widows in nursing homes, and others who rely on Medicaid.

If this bill passes, the following will happen: in 1 year alone, 110,000 Medicaid beneficiaries will lose coverage

due to the new burdensome health care premiums imposed by this bill; destitute elderly will be denied needed nursing home care right when they need it the most. These provisions will force many seniors out of homes that they may have lived in for decades, and those elderly persons who try to help their families to pay medical bills or go to school are going to be penalized.

Children will be hurt. According to CBO, half of those affected by higher cost-sharing and half of those affected by reduced benefits will be children. Those with disabilities will be particularly hurt by the newly allowed State benefit cuts and increased cost-sharing. They already pay a greater portion of their income for out-of-pocket medical expenses than privately insured individuals with higher income.

The simple fact of the matter is this bill is going to take from those who have the least and give to those who have the most and the smallest needs. This is an outrageous piece of legislation.

The simple fact of the matter is my Republican colleagues are entitled to their own opinion, but they cannot have their own facts; and the facts say this is a bad proposal. It is going to hurt the poor. It is going to benefit those who have no need.

□ 2345

This is an outrageous piece of legislation, and it should be rejected by this body. And I would point out that one of the reasons for these cuts in benefits is so that there can be a tax cut. I would remind my good friends on the Republican side that one of the interesting things about this piece of legislation is that when all is said and done, it is actually going to increase the deficit.

There is no question that the cuts proposed by the Republicans will harm beneficiaries. First, according to the Congressional Budget Office (CBO)'s November 9th study on the bill as it left the Budget Committee, of the $11.9 billion in cuts to Medicaid, 75 percent—nearly $9 billion—is due to provisions that hurt beneficiaries. These cuts will have harsh effects, reducing needed care and causing millions to lose coverage and benefits. For example:

The vast majority (80 percent) of the savings from cost-sharing increases come from forcing beneficiaries to cut back on their use of healthcare services. Some six million children from families with incomes just above the poverty line would lose all current Federal cost-sharing protections if this bill is adopted. This bill would offer children who live just above the poverty line significantly less protection than in the State Children's Health Insurance Program. The remaining savings from cost-sharing come from $300 million in payment cuts to providers over five years.

Half of those affected by the reductions in benefits—so called "benefit flexibility"—will be children. By 2015, five million individuals, including 2.5 million kids, will face benefit cuts. Most of the services that beneficiaries will lose in the reduced benefit packages would be for mental health, certain therapies, dental, and vision. There will also be new restrictions on the amount, duration, and scope of services covered.

Benefit reductions result in $18 billion in Federal savings over 10 years. The actual magnitude of lost coverage, however, will be much higher over those 10 years, closer to $32 billion, when you count the State share, because CBO only considers Federal savings. Therefore, the total benefit-related reductions would be nearly twice as high.

New premium charges will force hundreds of thousands more who are covered today to drop their coverage. A full quarter of the savings associated with new higher premium charges come from individuals no longer being able to afford Medicaid. In 2015, for example, 110,000 enrollees will lose coverage because of premium increases. And, for those elderly citizens lucky enough to own the home they live in, the Republicans want to force them to sell it in order to get care.

Second, the numbers tell only part of the story. Examine, for example, the hurtful effect these changes will have on individuals with disabilities. Over the past number of years, individuals with disabilities have made significant gains in improving options for community living. Would we really want to enact legislation that would force people, who were previously able to live in their community, to live in institutions? Because that is exactly what this Reconciliation package will do.

The healthy among us do not need extensive health services, but those with disabilities and chronic illnesses such as diabetes, multiple sclerosis, spina bifida, schizophrenia, and AIDs, do. The Reconciliation package allows States to cut critical benefits that these individuals need, with the burden placed on those who need the most care.

Together, these changes will only result in more individuals with disabilities being forced back into institutions, rather than enabling them to live in the community. Increased costs and decreased benefits for individuals with disabilities will leave them with no other option but to return to an institution where they can get needed medical care.

Those with disabilities who are under Medicaid already have higher out-of-pocket medical expenses than higher-income, privately insured people, even with the current protections the program offers. Out-of-pocket costs consumed an average of 5.6 percent of the incomes of these beneficiaries in 2002. On the other hand, privately-insured adults with incomes over $19,140 spent 0.7 percent of their incomes on out-of-pocket medical costs. Individuals with disabilities already have their incomes stretched to the limit. In 2004, a national average rent for a modest one-bedroom unit consumed more than the entire monthly payment (109.6 percent) for a person receiving SSI.

In addition to these increased out-of-pocket expenses, the working disabled may find they must sell their homes if they wish to continue receiving the needed long-term care services provided under Medicaid that enables them to work. And it is difficult to keep people in the community if they are forced to sell or mortgage the home they reside in.

According to CBO, Congress could achieve $20 billion in savings by simply not overpaying Medicare HMOs. Yet these provisions are nowhere to be found in the Republican legislation. Clearly the profits of health insurers are protected while the poor and working families are squeezed to fund Republican tax priorities.

The Republican solution to the hard economic times facing many families is to charge them more for their health care, take away needed benefits, and make it easier for States not to cover those in need. Rather than provide States with the tools to slash coverage and impoverish more families through higher medical expenses in order that their tax cuts for the wealthy may stay intact, Congress should seek ways to join with the States to shore up healthcare coverage for our most vulnerable citizens.

Mr. NUSSLE. Mr. Speaker, the Education and the Workforce Committee has contributed to this effort, and I yield to the gentleman from Georgia (Mr. PRICE) for 2 minutes.

Mr. PRICE of Georgia. Mr. Speaker, I am proud to be a Republican. I am proud to be a Member of the party of Lincoln, who knew and understood that you cannot build up the poor by tearing down the rich. The class warfare being waged by the other side belittles a once-proud party.

What we are trying to do here is to renew our commitment to hard-working American taxpayers, reforming the process, cutting red tape, and setting priorities. This is smart spending, and it is what we should be doing in every area of government. And contrary to what our colleagues say, there is more money for education.

We know and understand how difficult it is for some to get funding for college. I, myself, was the recipient of student loans during my education, and this bill gets more money to students. It simplifies the process, gives greater flexibility, and protects taxpayers. There are no cuts. Student aid money increases. All you have to do is look at the numbers. Increase in Federal loans, increase in Federal grants, increase in Federal work study money, and increase in education tax benefits. That is more money, that is not less.

We are providing common-sense proposals to reform and strengthen student aid for education. That is more money for students. To characterize this as anything else is demagoguery and deception and does a disservice to all Americans. I urge all of my colleagues who are truly concerned, truly concerned about education, to support this positive move in the right direction with more money for education.

Mr. SPRATT. Mr. Speaker, I yield 1½ minutes to the gentleman from Texas (Mr. EDWARDS).

Mr. EDWARDS. Mr. Speaker, I would challenge any Member who votes for this budget to answer just one question: name one, just one religion in the world that preaches the values of asking the most from those who have the least and asking nothing from those who have the most. Sadly, that is what this budget does.

This budget is an assault on the faith-based values of American families. It is about mean-spirited cuts in college student loans and harmful cuts in health care for low- and middle-income working families. Why? To pay for Katrina? No. To reduce the deficit? No. This budget increases the deficit.

These cuts are being made tonight to pay for tomorrow's $220,000 tax cut and

dividend tax cuts for those making $1 million a year. That is right. But it is wrong.

If the House Republican leadership thinks this budget truly reflects American values, it proves just how sadly out of touch they are with the values of average working families.

All the fig-leaf sound bites in the world will not hide the sad truth that this budget is an assault on the dreams of middle- and low-income working families, dreams of decent health care, a college education, and a better life for their children: the American Dream.

The congressional architects of the three largest deficits in American history once again tonight fail the test of fairness and fiscal responsibility.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the distinguished gentlewoman from North Carolina (Ms. FOXX).

Ms. FOXX. Mr. Speaker, someone on the other side has said we have hit a new low tonight. I certainly agree with that. I have never heard so much hypocrisy and hyperbole, and I doubt that the American public has either.

I rise, Mr. Speaker, with my colleagues today because Federal spending has been out of control. Just because former Congresses and Presidents have foolishly increased spending does not mean we must continue along this destructive path in the future.

This Congress must become a better steward of taxpayers' dollars, and we must do it now. Contrary to what our colleagues on the other side of the aisle are saying, we are not finding these savings on the backs of college students. These reforms will actually strengthen student aid programs and expand student benefits.

Republicans are proposing rational solutions that will increase student benefits and expand college access without expanding the deficit.

The Deficit Reduction Act provides key benefits to students including lower loan fees, higher loan limits for borrowers, low market-based interest rates, new loan flexibility, and a simplified financial aid process. Our constituents deserve to send less of their hard-earned dollars to Washington and spend more on their families, businesses, and dreams. It is the taxpayers' money we spend and we must be accountable, meticulous, frugal, and effective in the ways the Federal Government spends money. This budget reconciliation bill does just that. And on behalf of all of my hard-working constituents, I hope that all of my colleagues join me in supporting this great bill.

Mr. SPRATT. Mr. Speaker, I yield 1 minute to the gentlewoman from Pennsylvania (Ms. SCHWARTZ).

Ms. SCHWARTZ of Pennsylvania. Mr. Speaker, the budget reconciliation process is supposed to be about reducing deficits, enacting fiscal discipline, and setting priorities.

Yet the Republican majority's reconciliation package, you have heard it all tonight, fails to meet any of these goals. It fails to reduce deficits. Instead, it adds $20 billion to the Federal deficit. It fails to enact fiscal discipline or move us toward a balanced budget. Instead, it will continue to borrow from foreign countries to meet our basic obligations, further increasing our debt and leaving it to be repaid by our children and our grandchildren. And it fails to set priorities that benefit millions of average Americans.

My constituents in Philadelphia and in Montgomery County are all hard-working Americans. In fact, all hard-working Americans deserve for us to do better than we will tonight. So I say vote ''no'' against this budget because voting ''no'' is a vote for fiscal responsibility. Vote ''no'' on this budget, and by doing so, insist that we make the right investments to build a safer, stronger Nation. Vote ''no.''

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from Nevada (Mr. GIBBONS) from the Resources Committee.

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

Mr. GIBBONS. Mr. Speaker, I would like to take on just a little bit of a different tone about this bill that provides a plan to reform our government to really add some savings here. And I want to talk about the subtitle B, section 6, which allows for mining claims, et cetera, to be utilized for our rural communities.

Mr. Speaker, I rise in support of the Resources Committee provisions contained in this title. If you oppose the budget bill because of this title, then let me just say patently straight out you are against rural America.

My home State is Nevada, and it has 85 percent of the land owned by the Federal Government, and there are few places that are more rural than Nevada. My western colleagues know what I am talking about because they are largely in the same boat that I am in.

In the western United States, where a majority of the land is owned by the Federal Government, our rural communities depend on industries like the mining industries for their basic survival.

My colleagues from the East tell me that western communities should not be so dependent on one industry for their survival. Well, in this case I would agree with them. Today, we have an opportunity to show our support for diversifying rural economies by giving rural western communities a second chance at survival after one of these mines closes. We are giving them a chance to keep their economic base and to give their families hope for the future.

Contrary to the misrepresentation that you have heard from opponents of mining, this is not about putting national parks up for sale or a massive land grab or building K-Marts on every mountain top. This is about sustainable economic development for rural communities that otherwise would have no options when mining companies leave. These provisions will provide jobs and money for schools, law enforcement, hospitals, and other vital services and communities after a mine closure.

I urge my colleagues to disregard the half truths and misinformation they have heard about these provisions, stand up for rural America, stand up for this bill, and pass this very important piece of legislation.

Mr. SPRATT. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Connecticut (Ms. DELAURO).

Ms. DELAURO. Mr. Speaker, it has been a difficult year for our country: a brutal hurricane season, this government's inadequate response, leaving thousands homeless without power or a roof over their heads, energy costs skyrocketing, poverty on the rise, the recently passed mark of 2,000 troops killed in Iraq, an ongoing insurgency, little good news coming out of the country.

Americans want leaders who put the public interest first, who put the American people first when we face difficult national choices.

I look at this legislation with its cuts to student loans, food stamps, health care, child support enforcement, and I wonder, could this Congress possibly be more out of step with what the American people expect from their leaders right now. Most Americans saw Katrina and the extraordinary poverty and problems exposed and asked where did we go wrong. What can we do to get this right?

I look at this legislation, to $70 billion in tax cuts planned for the wealthiest Americans, and I wonder, why is this Congress not asking the same questions.

I have deep reservations about this legislation, about the values that would motivate such a terrible response to our times. It runs counter to our better nature. It does not reflect the moral responsibility of our government and our obligation to the people of this great Nation, and I urge my colleagues to oppose it.

Mr. NUSSLE. Mr. Speaker, I yield 6 minutes to the gentleman from Texas (Mr. BARTON), the very distinguished chairman of the Energy and Commerce Committee, and ask unanimous consent to allow him to control the time for the purposes of yielding.

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

There was no objection.

Mr. BARTON of Texas. Mr. Speaker, I yield myself 2 minutes.

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

Mr. BARTON of Texas. Mr. Speaker, I want to make a couple of very quick comments on the process. I had the privilege to attend a National Governors Association Conference early

last spring on the issue of Medicaid reform, and Subcommittee Chairman Nathan Deal was with me at that conference, and Ranking Member DINGELL and, I believe, even subcommittee Ranking Member BROWN was at that conference. And the Governors, on a bipartisan basis, said they wanted to work with the House Energy and Commerce Committee to help reform Medicaid this year.

They supported legislative action. Mr. DEAL and I said we would be happy to work with the Governors to try to come up with a bipartisan package. Ranking Member DINGELL, at that conference, I cannot remember his exact quote, but it was something to the effect that it would be over his and the other Democrats on the committee's dead political bodies that they tried to do anything to reform Medicaid.

And they have been true to their word. I do not believe any Democrat on my committee, the Energy and Commerce Committee, voted at any level to help reform and improve and maintain the integrity of our Medicaid program, which is one of the most important health care programs in this country for low-income and senior citizens, low-income Americans and senior citizens.

Today, the House will make important reforms in telecommunications and Medicaid in the title provided by the committee I chair, the Energy and Commerce Committee. By going to conference with the Senate, we also keep hope alive for a critical energy policy—safe and limited crude oil production from the Alaskan north slope.

The legislation before us effectively sets Thursday, January 1, 2009, as the day America goes all digital. The analog television signals that have come into our homes over the air since the birth of TV will end the night before, and a great technical revolution that has been in the making for years will finally be complete.

In June 2004, at my first DTV hearing since becoming chairman of the Energy and Commerce Committee, I announced that expediting the DTV transition would be a top priority. I also noted that the 85-percent loophole in current law is delaying the consumer benefits of digital television and preventing the clearing of broadcast spectrum for critical public safety and wireless broadband uses.

The DTV legislation brings needed certainty to allow consumers, broadcasters, cable and satellite operators, manufacturers, retailers, and government to prepare for the end of the transition. It includes a strong consumer education measure. And it helps ensure that all consumers have continued access to broadcast programming, regardless of whether they use analog or digital televisions, or whether they watch television signals broadcast by a local station or subscribe to pay-TV.

We're also here today to consider Medicaid reforms. Medicaid is a victim of its own success. The program has grown so expansive that it is unsustainable in its current form. The Nation's governors understand the grim future of Medicaid without reform. They tell us that Medicaid will begin to bankrupt the States unless some reasonable reforms are enacted. They were Democrats and they were Republicans. They came to us and told us what they needed done, and we did it.

Our proposal contains common-sense reforms and will help fix some of the flaws in the current Medicaid program to ensure that it can continue to be the safety net that protects our Nation's most vulnerable citizens.

The reforms in this legislation include allowing States to charge basic co-pays to higher income beneficiaries, reducing Medicaid overpayment for drugs, and providing States with the flexibility to tailor their benefit package to meet the specific health care needs of beneficiaries. We'll also make it difficult for lawyers to hide assets so wealthy clients can pretend to be poor enough to qualify for Medicaid coverage of nursing home services.

We were tasked in the budget resolution to reduce the growth of Federal spending. However, these changes are the right thing to do, regardless of the budget implications.

I recognize that some critics will argue that even the most modest reforms will hurt the poor. I would submit to you that Medicaid in its current form is already hurting the poor.

Between 2002 and 2005, 38 States reduced eligibility; and 34 States reduced benefits. This year, hundreds of thousands of beneficiaries are losing Medicaid eligibility or facing reduced benefits because of State action. This committee will not stand by and do nothing while Medicaid slowly collapses.

The reforms we are offering today will help to save the program while at the same time protecting the poorest of our society. In fact, most provisions in the legislation include additional protections for the most vulnerable recipients, such as children, pregnant women, the disabled, the mentally ill and those in hospice care.

It is perplexing to me that so many who say they care the most, want to do the least. If you want Medicaid patients to lose health care, the best thing to do is nothing.

I want fairness and efficiency from Medicaid, and a vote for reform is a vote to save it. A vote to keep what we have is a vote for waste and for bankruptcy. It is a vote to cut health care for those who can't afford it, and certainly can't afford to lose it.

We also can't afford to keep locking up our critical energy resources. A small, small part of ANWR was set aside by Congress twenty-five years ago for consideration as an energy resource. We have learned since then just how great those resources are. Today's gasoline prices would go down if we produced in ANWR. Dropping ANWR is ignoring what Katrina taught us—we need diversity of energy supply.

I will vote for this bill today because it includes the right set of reforms and saves the taxpayers money. Let's get to conference with the Senate and come back with ANWR.

□ 0000

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

Mr. BARTON of Texas. I yield to the gentleman from Michigan.

Mr. DINGELL. Let me observe that, first of all, the gentleman is dead wrong. I said that that particular package of reforms was not something which was acceptable. I encouraged the Governors to reject it and I urge you to reject it. I have never supported it. But I have never said that reform of Medicaid would pass over my dead body.

Mr. BARTON of Texas. Reclaiming my time, I have the utmost respect for the gentleman from Michigan. But at that first conference with the Governors there was not any package on the table. We were talking concepts. There was no package on the table. It was just the concept.

Mr. Speaker, I yield 1 minute to the gentleman from Georgia (Mr. DEAL).

Mr. DEAL of Georgia. I thank the gentleman for yielding.

A lot has been said tonight about people losing coverage under Medicaid if these reforms go in place. I would like to call the reality of today to attention. If you want to lose people from Medicaid rolls, just do nothing. The status quo is doing that very adequately. Tennessee is having to remove over 200,000 from their Medicaid rolls. Missouri is removing over 100,000. In the last 3 years alone, 37 States have had to reduce eligibility, and 34 States have actually had to reduce benefits. The Governors are crying out to us to do something. If we don't do something, they can no longer sustain their portion of the requirement of paying their part of Medicaid. That is the message that they have sent to us on a unanimous basis. All Governors, both Democrat and Republican across this country have said, please reform the program. It is in dire need of reforms in order to be sustainable.

Mr. BARTON of Texas. Mr. Speaker, I yield 1½ minutes to the distinguished gentleman from Michigan (Mr. UPTON), Telecommunications Subcommittee chairman.

Mr. UPTON. Mr. Speaker, as chairman of the Telco Subcommittee, I want to focus for a second on the DTV provisions. Last year the Congress passed the 9/11 Commission Report Implementation Act, which contained a sense of Congress saying that the Congress must pass comprehensive DTV hard date legislation this session and that any delay would delay the ability of public safety to get much-needed spectrum for interoperability. Mr. Speaker, today we are taking a significant stride towards fulfilling that commitment that we made to public safety. The legislation before us sets a hard date of December 31, 2008, for the end of the DTV transition, at which point the broadcasters will return their analog spectrum. Setting such a hard date will enable public safety to get access to that spectrum for interoperability, spectrum that it was promised way back in 1997. It will also enable the auction of the remainder of that spectrum for advanced wireless services.

Moreover, it will give consumers adequate notice and time to get ready for the transition and this legislation sets aside a portion of the spectrum proceeds to fully fund a robust digital-to-analog converter box program.

The legislation also included a provision that I helped author with the gentleman from New York (Mr. ENGEL), the gentleman from New York (Mr. FOSSELLA) and the gentleman from

New York (Mr. TOWNS) to set aside $500 million of the spectrum auction proceeds to assist State and local public safety agencies in acquiring interoperable communication systems. That amendment enjoyed widespread support within the public safety community. I would urge my colleagues to support this bill so that we can, in fact, see this provision enacted.

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

Mr. Speaker, the Energy and Commerce reconciliation package consists of two components. There is a Medicaid reform package and there is a digital television transition package. Both of those packages have widespread support outside of the halls of this body. Cumulatively, together, they are going to change the baseline for Medicaid from a rate of growth of a little over 7.3 percent to 7 percent per year for the next 5 years, and in terms of the digital television transition package, expected to raise in the neighborhood of $10 billion and put America on a digital broadcasting and receiving footing beginning January 1, 2009. Both components of the package are worthy of support. I would hope we could support those components in this package.

Mr. SPRATT. Mr. Speaker, I yield for the purpose of making a unanimous consent request to the gentleman from Washington (Mr. INSLEE).

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

Mr. INSLEE. I thank the gentleman for yielding.

Mr. Speaker, I would like to address comments made by distinguished Chairman regarding a provision of the bill that addresses the FCC's proceeding on unlicensed operation of wireless broadband devices in the vacant broadcast bands, commonly known as "white spaces." I thank the Chairman BARTON for recognizing the importance of additional unlicensed spectrum.

Unlicensed, wireless broadband devices have spurred entrepreneurship, technological innovation and phenomenal new capabilities for the country. Hot spots in coffee shops and airports, and wireless access in homes and offices, have made it easier and easier for people to access the Internet. These unlicensed uses have generated billions in new business for U.S.-based manufacturers, retailers and providers. However, these devices could do more to bridge the digital divide and bring more broadband choices to consumers if they could operate in spectrum below 1 GHz, (spectrum below 1 GHz propagates over greater distances and through tougher obstacles than does the spectrum being used by today's unlicensed wireless broadband devices).

Mr. Chairman, I know you are aware that in some smaller markets, only a handful television stations are actually operating. In some rural or suburban markets, there may be dozens of TV channels available for other uses. Nationwide, the white spaces offer hundreds of megahertz of spectrum for unlicensed wireless broadband devices to operate in. In its white spaces proceeding, the Commission proposes to allow unlicensed devices to operate in those spaces where the spectrum allocated to broadcast television stations is not being used, subject to the additional condition that the devices do not cause harm to licensed television broadcasters and certain other users of the spectrum. The Commission's proposal outlines possible noninterference requirements.

In response to the Chairman's point on preventing harm to broadcast signals, I would note that interference should be easily avoided, because "smart" unlicensed devices identify frequencies in use with "listen-before-talk" technology and similar capabilities. Developers and producers of equipment for wireless broadband operation in the white spaces have every incentive to demonstrate that their equipment is designed so as to prevent interference to television signals, where such signals are actually being transmitted. The reward of preventing interference is tremendous; the risk of being forced to exit a market because of an engineering mistake is equally weighty. The Commission has had this proceeding open for over a year, and meanwhile, innovation that could occur to deploy broadband to a greater number of Americans has been delayed.

In ordering the Commission to complete the white spaces proceeding within one year, my colleagues and I expect the Commission to promote robust and efficient use of vacant spectrum by unlicensed wireless broadband devices and networks. I thank the Chairman for his efforts on this issue, and I look forward to continuing to work with the Chairman to promote the use of additional unlicensed spectrum in the vacant broadcast bands.

Mr. SPRATT. Mr. Speaker, I yield for the purpose of making a unanimous consent request to the gentleman from California (Mr. FARR).

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

Mr. FARR. Mr. Speaker, I rise in opposition to the bill.

The American people know better than the politicians here in Washington about what's best for American families. If you've learned anything from Tuesday's election is that you ought to listen to the American people. The American people know that this Congress, under the Republican Leadership, is cutting over $50 billion in important domestic programs, while still adding billions to the Federal deficit.

The Republican leadership's fantasy of deficit reduction comes at the expense of significant cuts to domestic programs that middle class American families—making $27,000 to $65,000 rely on. I've gotten hundreds of letters from concerned and distraught constituents urging me to oppose this bill and they're screaming that America does NOT want: $14.3 billion in cuts to student aid programs, raising the cost of college for students and families. Nearly half a million Californians borrow money for education, we should be assisting the next generation of Californians, not raising fees and interest rates on students; $800 million cuts to food stamp programs, eliminating nutrition and lunch/breakfast programs for hundreds of thousands of families and children; billions in cuts to child support programs run by the States—over 5 years, Californian families will lose almost one billion in funds that should be going towards our children; $11 billion in cuts to Medicaid, with over $1 billion of those cuts coming out of California; and $425 million in cuts in Social Security Insurance benefits for the disabled.

With all of these cuts, the Republicans and this Administration will still be adding at least $20 billion to the Federal deficit when the Republicans push through $70 billion in tax cuts to the wealthiest of Americans. America deserves and wants a Federal budget that is fair and compassionate. I urge my colleagues to listen to their conscience and the voices of the American people and strongly oppose this bill and throw out these misplaced budget priorities.

Mr. SPRATT. Mr. Speaker, I yield 12 minutes to the gentleman from California (Mr. GEORGE MILLER) and ask unanimous consent that he be permitted to control that time.

The SPEAKER pro tempore (Mr. THORNBERRY). Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, last week the Republicans were unable to pass this bill because of the severity of the cuts. They have since then done a lot of horse trading about those cuts and apparently, now tonight, they have the votes. But the one thing that remained consistent throughout all of that horse trading was they never lost their appetite to raise the cost of student loans. According to the CBO, this budget will add almost $8 billion in new cost onto the backs of students and onto their parents as they borrow money to pay for higher education, a higher education that is absolutely essential today to fully participate in the American economy.

They will add almost $5 billion in new consolidation loan fees and higher interest rates that go directly to those students borrowing money. They mandated a 1 percent insurance fee, $1.47 billion, on the backs of these students. Repealing the lower interest rate caps, $505 million to these students. A 1.5 percent origination fee, $350 million to these students. So that the average student today who borrows $17,500, you will increase their cost of that loan, and that education $5,800. Not according to me, but according to the Congressional Budget Office.

You can say all you want, but none of you apparently raised your hand and said, How about helping the students? How about reducing the taxes on the students? How about reducing the $8 billion in new taxes on these students? Students who are going to Kansas, they are going to UT, 30 students here are going to Georgetown. Nobody raised their hand on behalf of these students or their families who are going deeper and deeper in debt.

Just 2 weeks ago, we got a report that the cost of a college education is outstripping the ability of middle-class families to pay for it, and certainly lower income families to pay for it.

Earlier this day, you took away the promise of this President to increase

the Pell grant by $50. He originally promised to raise it to $5,100. But, no, you couldn't keep that promise, the President couldn't keep his, you didn't keep his promise, nobody kept the promise to the students. Somehow you are just not able to keep your promises. What happens is that these students here are punished because of your inability to keep your promises.

No, the House is not out of order, you are out of order because you are hurting the students of this Nation, you are hurting their families, you are piling on the debt, you are piling on the interest rates, you are increasing the cost to the students and to their families. You ought to be ashamed of it. Because the taxes that these kids are going to have to pay and their families pay are way beyond what is fair to do to them. It is a tragedy, an absolute tragedy that you would do this to young people.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. The Chair will remind all persons in the gallery that they are here as guests of the House and that any manifestation of approval or disapproval of proceedings or other audible conversation is in violation of the rules of the House. The Chair would further remind Members that they are not to refer to persons in the gallery. Finally, the Chair would request that all Members respect the gavel.

Mr. NUSSLE. Mr. Speaker, I yield 1 minute to the gentlewoman from Missouri (Mrs. EMERSON).

Mrs. EMERSON. I would like to engage the gentleman from Georgia (Mr. DEAL), chairman of the Subcommittee on Health, in a colloquy.

Mr. Chairman, in the bill before us, we do make significant changes in the way we pay pharmacies for Medicaid prescription drugs. I am very concerned that these payment rates will significantly reduce access to prescription drugs for Medicaid beneficiaries in districts like mine particularly, which is quite rural. I think that we need to make sure that our Nation's community pharmacies are adequately compensated for Medicaid prescription drugs. I would like to ask you if you could to explain the new provision that calls for a GAO study on pharmacy reimbursement.

Mr. DEAL of Georgia. Mr. Speaker, will the gentlewoman yield?

Mrs. EMERSON. I yield to the gentleman from Georgia.

Mr. DEAL of Georgia. In the manager's amendment, we provide for a GAO study that would authorize the Secretary to delay the implementation of the new reimbursement structure if the study finds that the average payment rates to pharmacists for drugs under the new Medicaid program are below the pharmacy acquisition cost. We think that this study will determine whether pharmacies are paid adequately and that we continue to provide access to Medicaid recipients for prescription medications.

Mrs. EMERSON. Mr. Chairman, I am hopeful that we might have the opportunity in conference to clarify in the GAO study that prior to implementation, States would be required to submit to the Secretary of HHS the amounts they would propose to pay pharmacies under this new payment formula. Would you be willing to work with me on this.

Mr. DEAL of Georgia. Yes.

Mr. NUSSLE. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. KING).

Mr. KING of New York. I thank the gentleman for yielding.

Mr. Speaker, I would like to enter into a colloquy with the gentleman from Texas, the chairman of the Energy and Commerce Committee, regarding the Digital Television Transition Act of 2005 which is included in title III of H.R. 4241. Section 3406 of this bill directs the NTIA to establish a new $500 million interoperability grant program for first responders.

Chairman BARTON, I strongly believe the Department of Homeland Security should be given, at the very least, a strong consultative role in the administration of these grant funds. Given the Department's expertise in administering first responder grant programs and its responsibility for establishing and implementing the national policy on interoperable communications, I would ask the chairman to ensure that this new grant program uses standards, grant guidance and technical assistance established by the Offices for Domestic Preparedness and Interoperability and Compatibility. I would ask the chairman to seek such a resolution in conference.

Mr. BARTON of Texas. Mr. Chairman, will the gentleman yield?

Mr. KING of New York. I yield to the gentleman from Texas.

Mr. BARTON of Texas. I appreciate the comments of the gentleman from New York, who is also the chairman of the Committee on Homeland Security.

Chairman KING, I agree the Department of Homeland Security should have a strong consultative role in administering this new program. The Department of Homeland Security standards and grant guidance for interoperable communications must be used to ensure consistency in the administration of this new $500 million program.

It is too late at this point to amend the language establishing the program, but I pledge to work with you and your committee to resolve this issue during conference.

Mr. KING of New York. Reclaiming my time, I thank the gentleman for his comments. I appreciate your willingness to address our policy concerns.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1½ minutes to the gentleman from Michigan (Mr. KILDEE).

Mr. KILDEE. Mr. Speaker, the bill we consider today cuts over $50 billion from essential programs that help Americans struggling just to get by. Over a quarter of these cuts, a staggering $14.3 billion, will be slashed from student aid programs, the largest cut in the history of these programs. According to a new CBO estimate, much of these so-called savings are generated by forcing students and parents to pay nearly $8 billion in new fees and increased interest rates. These cuts will force individual students and their families to pay as much as $5,800 more for college.

Why would Congress want to force students to pay more for college? The harsh truth, Mr. Speaker, is that the underlying intent of this bill is to balance the massive deficit and pay for additional tax cuts on the backs of students already struggling to pay for college. Instead of reinvesting the so-called savings into making college more accessible and affordable, we will vote later to hand out an additional $70 billion in tax cuts. These additional tax cuts, Mr. Speaker, will benefit the wealthiest in our country while increasing the burden on ordinary Americans.

Mr. Speaker, our budget decisions reflect our values. This bill does not reflect the values that I cherish. I oppose this Robin-Hood-in-reverse bill. I ask my colleagues to vote their conscience and oppose this merciless reconciliation package.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1½ minutes to the gentleman from New York (Mr. BISHOP).

Mr. BISHOP of New York. I thank the gentleman from California for yielding.

Parents and students, please take note. College will soon become a lot more expensive if these budget cuts pass. Yes, at a time when college costs are rising and students are struggling to afford college, this bill cuts over $14.3 billion from Federal student aid programs. This represents the largest cut in the history of the student aid programs at a time when the College Board tells us that this is the most expensive semester ever.

This bill includes nearly $8 billion in new charges that will raise the cost of college loans through new fees and higher interest for millions of American students and families who borrow for college. While millionaires will soon gain another $19,000 tax break, the typical student already saddled with $17,500 in debt faces $5,800 more in new fees and higher interest rates. To whom does this make sense? We all know that championing tax cuts for the wealthiest Americans by punching holes in middle-class priorities is the hallmark of this administration's failed economic policies. But the burden should not be placed on the backs of students. All of us should rise in strong opposition to this legislation, for it will hurt the very generation that will eventually lead this country.

Mr. Speaker, I strongly urge my colleagues to vote against this unprecedented raid on student aid.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Minnesota (Ms. MCCOLLUM).

Ms. MCCOLLUM of Minnesota. Mr. Speaker, I rise today to support America's college students. Our competitiveness in the global economy is built on a foundation of a highly educated workforce. My Republican colleagues feel higher education is a privilege and not a necessity for American students. The Republican strategy to cut and gut Federal financial aid by over $14 billion for its students hurts families and threatens America's competitiveness. The Republican raid on student aid makes the largest cut in the history of financial aid while also increasing the deficit by $20 billion, adding more debt on the backs of hardworking Americans and students.

Tim McDonald who attends Hamline University in St. Paul, Minnesota, told me and other students last week: ''The generation that benefited from highly subsidized affordable higher education is now pulling the ladder up with them and forcing us to finance debt not only of our own education but of their tax cuts.''

Congress should promote hope and opportunity and provide America's scientists, engineers, entrepreneurs, police, nurses and teachers, our future leaders, with the skills and knowledge and opportunity to keep America strong and prosperous. These budget cuts cut and gut the resources that students depend upon to achieve their career goals and to contribute to America. Instead of investing in students, instead of investing in America's future, this reconciliation forces students to pay the price for the mismanaged Republican budget.

I rise today to support America's college students and our nation's higher education institutions.

Our competitiveness in the global economy is built on the foundation of a highly educated workforce.

My Republican colleagues feel financial aid for higher education is a privilege, not a necessity for American students.

The Republican strategy to cut and gut federal financial aid by over $14 billion hurts students, hurts families and threatens America's competitiveness. Harming higher education harms America.

The Republican raid on student aid makes the largest cut in the history of financial aid, while also increasing the deficit by $20 billion—adding more debt on the backs of hard working Americans . . . and students.

Tim McDonald attends Hamline University in St. Paul, Minnesota. Last week speaking against these cuts Tim said:

''The generation that benefited from highly-subsidized, affordable higher education is now pulling the ladder up with them and forcing us to debt finance not only our own education, but their tax cuts . . .''

Congress should promote hope and opportunity. Vocational and technical schools and our colleges and universities provide America's scientists, engineers, entrepreneurs, police, nurses, and teachers—our future leaders with the skills, knowledge and opportunity to keep America strong and prosperous.

This budget cuts and guts the resources students depend upon to achieve their career goals and contribute to America.

Instead of investing in students, instead of investing in America's future, this reconciliation forces students to pay the price for a mismanaged Republican budget.

I ask my Republican colleagues to protect America's economic future, to not abandon the next generation and to DEFEAT the cutting and gutting of hope and opportunity for American students.

□ 0015

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 1½ minutes to the gentleman from Virginia (Mr. SCOTT).

Mr. SCOTT of Virginia. Mr. Speaker, this plan has $70 billion in tax cuts, $50 billion in spending cuts, and therefore adds $24 billion to the national debt. Let us look at one of those cuts, cuts in student aid. We know that your future opportunities depend on your education, and college will enhance your education.

Unfortunately, 400,000 children cannot go to college because they cannot afford to. It will get worse before it gets better. In the last 4 years, the cost of a public college education went up $3,000. The maximum Pell grant in this package as adopted will not go up at all. This bill cuts over $14 billion over 5 years from student aid, adding up to $5,800 per student of what they have got to pay on those loans. That is not the right vision for the future.

It is particularly egregious when you look at the tax cuts that go into effect next year. One tax cut goes into effect involving personal exemptions and standard deductions. Mr. Speaker, this is a chart of who gets it. Under $200,000, you cannot even see what you get. Millionaires get $19,000; $500,000 to $1 million, over $4,000. Ninety-seven percent of this tax cut goes to those making over $200,000. Fully phased in, it is $100 billion over 5 years.

While this tax cut is going into effect, we are cutting student aid by $14 billion, denying many students an opportunity to go to college, and, saddling many others with up to $5,800 in new debt. We can do better than that. We ought defeat this resolution and not saddle those children with additional debt.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield 2 minutes to the gentleman from Wisconsin (Mr. KIND).

Mr. KIND. Mr. Speaker, I thank the gentleman from California (Mr. GEORGE MILLER) for his leadership in education.

Mr. Speaker, tonight's debate really is not about fiscal responsibility. That ship sailed almost 2 years ago to the day when the Republican majority passed the largest expansion of entitlement in the last 40 years with the new prescription drug bill that they refused to pay for. They sold it as $400 billion. It is closer to $1.2 trillion today with no cost control and refusing to pay for it.

Tonight's debate is about what the values and priority of our Nation will be. Is it going to be another round of large tax cuts for the most well off, or will it be an investment in the education future of our students? They are choosing the tax cut.

This raid on student aid that we have been talking about is the largest cut in the student financial aid program in our Nation's history. The nonpartisan Congressional Budget Office has stated that it is going to add, to the average student, over $5,800 in up-front fees and higher interest payments through their collegiate career.

This is happening when one-half of low-income students in this country today who are qualified and want to go on to school cannot because they cannot afford it. This is happening when countries like China and India and South Korea and Japan are ramping up their education investment in their students' future. This is happening when China last year graduated nine times the number of engineers that we did. China last year graduated more English-speaking engineers than we did in this country. This is a recipe for economic disaster in their budget.

Instead, what we need to be doing is investing in economic growth. We are leaving too many of our students behind today when we need them advancing their skills and knowledge base more than ever. At a time when our long-term economic and national security hangs in the balance, it is as if the Republicans want to unilaterally disarm in the race for global creativity and innovation. Instead of being so eager to dismantle the New Deal, we should be offering the American people a new, new deal with the hope and promise of helping all Americans develop the skills and tools they need to compete in the global marketplace. This budget does not do it. We can do better.

I encourage my colleagues to defeat this proposal.

Mr. GEORGE MILLER of California. Mr. Speaker, I yield the remaining time to the gentleman from Washington (Mr. INSLEE).

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

Mr. INSLEE. Mr. Speaker, it is true that dogs collect fleas, and so do large fiscal year bills. This bill is no exception. I want to talk about one of those fleas infesting this bill. One of the worst infestations in this bill is a provision slipped in in the dead of night, like many of these things happen, that will essentially give away America's most pristine areas in our national forests to the special interest friends of the majority party.

There is a provision in this bill that will allow places that have been ''patented for mining,'' to be essentially given away to these special interest companies that can take our most pristine national forests, somewhere between 300,000 and 20 million acres, and

give it away to special interests, give it away to special interests and increase the deficit at the same time.

What will happen with that property? Anything the special interests of the majority party wants. It is not about mining. There is a provision in this bill that will allow your special interest friends to come into the Mount Baker National Forest in Washington, the national forest in Colorado, the national forests of California, take that property, pay the taxpayers nickels, literally nickels, and take that property away from the people that want to enjoy those national forests right now.

It is bad enough that that bill will leave future generations $1 billion of debt. You would think you would give them the Cerces to take their kids out to be able to have a picnic in the national forest, portions of which will be gone because you want to feed the rapacious appetites of your special interest friends.

This is a rip-off of American taxpayers. It is unfair to the kids that want to go up to the national forests and enjoy this property. There is no excuse for it. You are doing it in the dead of the night. You ought to be ashamed.

There is nothing sacred to the Republican Party except tax cuts. You would sell anything in America to finance your tax cuts. The Washington monument could be next. This is a shame.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. THORNBERRY). The Chair again reminds Members to direct their remarks to the Chair.

Mr. NUSSLE. Mr. Speaker, I am trying to find where we are taking away picnics now. I am looking for picnics in here. I may not vote for this now. I did not realize we were taking away picnics, of all things. My goodness. How could we do that, my friend.

I would now like to yield to the very distinguished gentlewoman from Florida (Ms. GINNY BROWN-WAITE) for 2½ minutes.

Ms. GINNY BROWN-WAITE of Florida. Mr. Speaker, Federal spending has been on the rise. Over the period of time from 2001 to 2005, inflation has only gone up 12 percent during that period of time. However, when you look at the various other government spending programs, they have gone up anywhere from 21 percent all the way up to 99 percent for education.

Believe me, government has grown. It has grown to the point where our constituents are saying, stop already, make some changes. The significance of this chart is how much government has grown. A lot of it was due to 9/11; a lot of it was due to the slowdown in the economy.

The time has come where we need to start cutting back on the future growth. That is all that this does is cut back on the future growth. That is all that this does by one-tenth of 1 percent.

I heard somebody say, where is the Democrat plan? Well, their plan would increase spending by $21.5 billion, provide $54 billion in new taxes and virtually no cuts. It would grow the government. That is not what our constituents and that is not what our taxpayers want us to do.

Democrats have opposed virtually every spending bill recently. Why? Because the bills do not spend enough. It is not that they are spending too much. They do not spend enough, because no sum is too great ever to spend on their pet issue of the day.

The Republicans standing with me today have made it clear to constituents that the time has come for Congress to finally control the growth of Federal spending. That is what we are talking about, reducing government waste, inefficiencies, and putting common-sense measures in place to help reduce the Federal debt.

It is time we put some commonplace measures into place to help reduce the Federal debt to help stop this out-of-control growth of government. Ladies and gentlemen, that is what the bill we have before us tonight does.

Mr. SPRATT. Mr. Speaker, I yield 30 seconds to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I hope everybody in America knows, I say to the gentlewoman from Florida (Ms. GINNY BROWN-WAITE), your party has been in charge for all 5 of the years that spending has gone out of control, and your conservatives are telling you just that, including Mr. Dick Armey, your former majority leader. It is you who have allowed spending to go out of control.

□ 0030

Mr. SPRATT. Mr. Speaker, I yield 1½ minutes to the gentlewoman from New York (Mrs. MALONEY).

Mrs. MALONEY. Mr. Speaker, I thank the gentleman, the distinguished ranking member for yielding me time.

Mr. Speaker, we know that the reconciliation package the Republicans have put together before us tonight is unfair and will increase the deficit. We have an analysis documenting that unfairness by the Democratic staff of the Joint Economic Committee which I will be placing in the RECORD.

The spending cuts hit programs that benefit middle and lower income families while the tax cuts go overwhelmingly to very high income people. For example, families in the bottom fifth of the income distribution receive only 3 percent of family income, but they are being asked to absorb 22 percent of the cuts in spending for individuals. When you put together the tax cuts and the spending cuts, you see that the richest 20 percent of the income distribution receives benefits from tax cuts that far outweigh their losses from the spending cuts.

In contrast, middle and lower income families, the remaining 80 percent of all families in our country, lose more from program cuts than they gain from tax cuts. This is terribly unfair. This plan does not reflect American values. We can do better.

THE IMPACT ON FAMILIES OF THE HOUSE BUDGET RECONCILIATION PACKAGE

JOINT ECONOMIC COMMITTEE DEMOCRATS

Senator Jack Reed (D–RI)—Ranking Democrat

Representative Carolyn Maloney (D–NY)—Senior House Democrat

November 17, 2005

Summary

The FY 2006 House budget reconciliation plan will increase the federal budget deficit and is unfair in its impact on families.

The deficit will increase because reconciled spending cuts of $50 billion are not sufficient to offset reconciled tax cuts of nearly $60 billion, which could rise to $70 billion in a future conference agreement.

The plan is unfair because the spending cuts affect programs that benefit middle and lower-income families, while the tax cuts go mainly to very high-income people.

Spending Cuts

Of the $50 billion in reconciled spending cuts, about $22 billion are in payments for individuals that can be allocated by family income group (Table 1).

That $22 billion is spread relatively evenly across families in all income groups. But because income is so unevenly distributed, the share of spending cuts borne by low-income families is substantially larger than their share of total income (Table 2). For example, families in the bottom fifth of the income distribution receive only about 3 percent of total income, but they bear 22 percent of the total cuts in spending on payments for individuals.

The remaining reconciled cuts and offsetting receipts do not directly reduce payments for individuals, such as the proceeds from auctioning electromagnetic spectrum licenses. Nevertheless, some of the additional cuts will hurt vulnerable families. For example, the roughly $5 billion in cuts to child support enforcement efforts will reduce payments to single parents and their children by over $7 billion.

Tax Cuts

Of the $57 billion in tax cuts, $28 billion are in taxes on individuals that are allocable by income group (Table 3).

By far the largest amount ($23 billion) of the tax cuts for individuals that can be allocated by family income group accrue to the richest 20 percent of families (Chart 1).

Most of the taxes that are not directly allocated in this analysis are business tax cuts that would also end up benefiting high-income taxpayers.

Net Impact

The top 20 percent of the income distribution receives benefits from the tax cuts that far offset losses from the spending cuts (Chart 1).

Middle and lower income families (the bottom 80 percent of all families) lose more from program cuts than they gain from tax cuts.

TABLE 1.—HOUSE SPENDING RECONCILIATION BILL MAJOR PROVISIONS

[In billions]

Provision	Change in outlays 2006–2010
Payments for individuals, allocable by income group	
Program cuts:	
Student loan programs [a]	−13.8
Medicaid	−8.4
Farm programs	−2.9
Food stamps	−0.8
Supplemental Security Income	−0.7
Child welfare services	−0.6
Program cuts, subtotal	−27.1
Program expansions:	
Katrina health care relief	2.6

TABLE 1.—HOUSE SPENDING RECONCILIATION BILL MAJOR PROVISIONS—Continued

[In billions]

Provision	Change in outlays 2006–2010
Other provisions [b]	2.4
Program expansions, subtotal	4.9
Net impact, payments for individuals	−22.2
Other provisions	
Spectrum auction proceeds [c]	−8.7
PBGC premium increases	−6.2
Child support enforcement cuts	−4.9
Medicaid [d]	−3.0
Dumping and subsidy offset repeal	−3.2
Other [e]	−1.7
Total, other provisions	−27.8
Total	−50.0

Source: CBO, Estimated Budgetary Impact of House Reconciliation Recommendations (HR 4241), and JEC Democratic Staff calculations.

[a] Excludes student loan provision reducing guaranty agencies' share of collections.

[b] Includes funding for LIHEAP, TANF, and child care.

[c] Includes offsetting spending for digital transition and public safety.

[d] Includes limits on pharmacy reimbursement and other unallocable provisions.

[e] Includes proceeds from selling federal land, increasing visa fees, and other provisions.

TABLE 2.—DISTRIBUTIONAL IMPACT OF HOUSE SPENDING CUTS IN PAYMENTS FOR INDIVIDUALS

[Share of spending cuts and share of family income by family income group]

Income group (quintile)	Share of spending cuts * (percent)	Share of family income (percent)
Bottom 20 percent	22	3
Second 20 percent	17	8
Middle 20 percent	15	14
Fourth 20 percent	17	23
Top 20 percent	29	52

Source: JEC Democratic Staff calculations using data from CBO and Census Bureau public use files.

* $22.2 billion of cuts in payments for individuals allocable by income group from Table 1.

TABLE 3.—HOUSE TAX RECONCILIATION BILL MAJOR PROVISIONS

[in billions]

Provision	Change in revenues 2006–2010
Extension of Certain Expiring Tax Provisions	
Taxes on Individuals allocable by income group:	
Lower tax rates on dividends through 2010	−13.3
Lower tax rates on capital gains through 2010	−7.3
Extend above-the-line tuition deduction through 2006	−1.7
Extend retirement savers credit through 2008	−2.9
Continue to allow personal credits against AMT through 2006	−2.8
Subtotal	−28.0
Other Taxes on Individuals:	
Extend deduction for state and local sales taxes through 2006*	−2.6
Total Taxes on Individuals	−30.6
Taxes on Businesses:	
Extend small business expensing through 2009	−7.3
Extend research and experimentation credit through 2006	−10.0
Other Extensions and Modifications	−8.8
Total	−56.7

Source: JCT, Estimated Revenue Effects of the Chairman's Amendment in the Nature of a Substitute to H.R. 4297, the "Tax Relief Extension Reconciliation Act of 2005," JCX–79–05, November 15, 2005, and JEC Democratic Staff estimates.

* There are no direct estimates of the distributional impact of extending this deduction.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. HERGER), a member of the Ways and Means Committee, and the Ways and Means Committee has contributed reform to this package.

Mr. HERGER. Mr. Speaker, I rise in support of the Deficit Reduction Act of 2005. Congress must make the hard decisions to rein in Federal spending. The legislation before us today does just that by reducing or eliminating waste or unnecessary Federal spending across a range of programs.

I would like to thank the gentleman from California (Mr. THOMAS) and my fellow Ways and Means Committee members for their support in bringing this legislation to the floor this evening. Overall, the provisions in this legislation produced by the Ways and Means Committee saves over $8 billion over the next 5 years through common sense reforms that fix or clarify current law.

These changes target spending on administration, not benefits meant to be paid under current law. For example, this legislation ends double dipping on certain child support bonus funds. The bonus funds will continue. The double dipping will end. This change will save $1.6 billion over the next 5 years.

This legislation also extends and improves the 1996 welfare reform so even more parents will be able to leave welfare for work. It provides full funding for the Temporary Assistance to Needy Families Programs despite a 60 percent welfare caseload decline. It increases child care funding to support more work, and it encourages and supports healthy marriages and stronger families to further reduce poverty.

Mr. Speaker, I urge all Members to support these common-sense reforms.

Mr. SPRATT. Mr. Speaker, I yield 1½ minutes to the gentleman from Illinois (Mr. EMANUEL).

Mr. EMANUEL. Mr. Speaker, this Congress is set to vote on a budget that will cut education and health care investments in order to make room for $70 billion in tax cuts for the wealthiest Americans.

If you are asking yourself what kind of Congress passes a budget that cuts $9.5 billion from Medicaid adversely affecting 6 million children while overpaying HMOs by $10 billion, look no further. A Republican Congress.

What kind of Congress hands out $14.5 billion in tax subsidies to oil and gas companies, and yet cuts $14.5 billion in college tuition assistance? Look no further than a Republican Congress.

What kind of Congress cuts child care assistance to 330,000 children while giving special tax breaks to bow and arrow manufacturers and logging companies. Look no further than a Republican Congress.

Child care, child support, children's health care, college tuition assistance. You guys give a whole new meaning to women and children first.

When George Bush in 2000 declared he was opposed to nation building, who knew it was America he was talking about.

This budget continues your policies of cutting taxes for the wealthiest 1 percent in America, while cutting child support, children's health care, child support collection and child care assistance as well as college tuition assistance. Have you no shame? Have you no decency when it comes to America's future? Then you stand up here having added $3 trillion to the Nation's debt in 5 short years and declare yourself that you believe we have to put our fiscal house in order, and all the while you add to the Nation's deficit.

Thank you very much. No one has quite said thank you for all your hard work.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. THORNBERRY). The Chair would once again remind all Members to direct their remarks to the Chair.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from Colorado (Mr. BEAUPREZ).

Mr. BEAUPREZ. Mr. Speaker, as we get close to the end this has been an interesting debate to listen to tonight.

If I listen to all the eloquence from the other side of the aisle, I must think this is surely the only place in the United States of America that believes we do not spend enough, nor tax enough.

I tell you what, I could go into any sale barn, any peach orchard, any machine shop, any office building, sit around any kitchen table in my State of Colorado, and I could ask that question and they would tell me straight up, no, we do not believe that the United States Congress handles our money quite as efficiently as maybe they could.

Do you know what we are talking about here tonight? Over the next 5 years, reducing the rate of increase by a mere one-third plus or minus of 1 percent. One-third of a cent on a dollar rate of increase.

Now, go back home and ask the folks in your district, the folks that live across the street, the folks you go to church with if they really believe we are so good in the United States Congress with their tax dollars that somehow, someway we could not find one-third of a penny of savings out of their dollar. You know how we are finding it. We are finding it by saying, you know, folks, if you want to get in the nursing home and you happen to have three-quarters of a million dollars of equity in your house, maybe you ought to take care of yourself for a little while.

We are saying that if you sign an oath that when you immigrated to the United States America that you will not become a ward of the State, you will be self-sufficient, we think you ought to abide by that oath for 7 years. We are saying that student loans actually ought to go to students, not just brokers who trade them around in the market and try to make a buck off the deal. That is the kind of savings and efficiency that I think we all said we are going to come here to try to find for the American taxpayer. Tonight we have got a choice.

Mr. SPRATT. Mr. Speaker, I yield 6 minutes to the gentleman from Maryland (Mr. HOYER), the distinguished Whip of the Democratic Party.

Mr. HOYER. Mr. Speaker, I tell my friend, the chairman of the Budget Committee, this bill is no picnic.

Mr. Speaker, for 5 years, the Republican Party in Washington has pursued the most irresponsible and dangerous fiscal policies in the history of this country. Today, they claim they are getting tough on spending, that they are restoring fiscal discipline. I suppose that is the fiscal discipline that they threw away over the last 5 years.

I say to my friends on the other side of the aisle, I have been a Member of this House for 25 years. For 17 of those years, there has been a Republican President in the United States of America. The one person that can stop spending in its tracks, none of the rest of us can, we can vote but only one of us in the government can stop spending in its tracks and that is the President of the United States. And during those 17 years that we have had Republican Presidents, every year without exception we have had large deficits. For 8 years, we had a Democratic President, and for 4 years we had surpluses, 4 straight years.

In every single one of those years that the Republican Presidents presided we had large and growing deficits. This bill today will perpetuate that Republican performance.

Five years ago, the Bush administration and this Republican Congress inherited a projected 10-year surplus of $5.6 trillion according to President Bush. President Bush promised the American people when he offered his economic program, ''We can proceed with tax relief without fear of budget deficits even if the economy softens.'' But almost immediately, the Washington Republicans enacted policies that instigated deficit and debt that will immorally force our children to pay our bills and then threaten our Nation's future.

Under President Clinton, we had $559 billion of surplus in his last 4 years. Under your 5 years, I tell the amused chairman of the Budget Committee, you have planned and achieved $1.57 trillion of debt. At the very same time, Republicans have raised the debt limit four times. $4.15 trillion of additional debt during your last 5 years.

Do you know how much during the last 4 years of the Clinton years we raised it? Zero. Zero. You talk about fiscal responsibility and the gentleman from California (Mr. THOMAS) says you had a Republican majority. Is that not wonderful? My, my, my, you could do it when you had President Clinton as President but you cannot do it when you have President Bush. Is that not a strange thing to happen? In 5 short years they have driven us $3 trillion deeper in debt.

Today Republicans say they want to restore fiscal discipline. All of America must ask, Why do you insult our intelligence?

President Bush has not vetoed one spending bill that you have offered. If spending is out of control, it is out of control because you let it get out of control, you planned to get it out of control, and you passed bills that put it out of control.

Republicans rammed a prescription drug bill through. They told us, which was not true and they knew it not to be true, it was going to cost $395 billion. Why? Because your budget said you were going to spend $400 billion. That was a lie. You knew it was not true. In fact, 2 months later, you came by and said, no, it is 524. Now, it is over a trillion dollars.

You claim that you are cutting spending by $50 billion, but you are coming with a tax bill that is going to cut $57 billion in revenue, a net increase of the deficit. That is why you have had 17 straight years under your Presidents of deficits.

Look at the facts. I implore my colleagues on the other side of the aisle, face fiscal reality. Stop posturing, vote no on this irresponsible bill. Join Democrats in adopting a budget plan as we offered that balanced the budget in ten years. You did not even plan to balance it.

Let me read now a quote. ''We do not touch Social Security. It does not touch Medicare. This budget accomplishes the largest reduction of the debt held by the public in our history. By the end of 10 years of this budget, we will have eliminated the debt held by the public.'' Chairman JIM NUSSLE, May 25, 2001.

□ 0045

$1.57 trillion in budget deficits and $3 trillion later additional debt on the national debt. The gentleman from Iowa's (Mr. NUSSLE) representation was totally, absolutely, unconscionably wrong in 2001, and your predictions today are equally in error.

Vote against this bad bill.

Mr. NUSSLE. Mr. Speaker, except the gentleman forgot Osama bin Laden, and I thank the gentleman for that.

Mr. Speaker, I yield 2 minutes to the very distinguished gentleman from Wisconsin (Mr. RYAN), a member of the committee, so maybe he can answer some of the diatribe that we heard.

Mr. RYAN of Wisconsin. Mr. Speaker, in 2 minutes I will try to answer all of that diatribe. It is going to be very challenging.

Number one, the last speaker talked about all the new spending. Every time we brought a spending bill to the floor of the House, an appropriations bill, a budget bill, a Medicare bill, what did they do? They proposed more spending. Our budget on Medicare, $400 billion. Their bill on Medicare, $1 trillion. What did our budget on Medicare come in at? $319 billion because competition is working.

Mr. Speaker, let us put this in perspective. Look at the rhetoric we have been hearing tonight: deep cuts; draconian cuts to government; we are hurting women; we are hurting children; we are hurting children with cystic fibrosis; we are taking picnics away from tourists; we are burning the house down. What is this budget doing?

Mr. Speaker, this budget, if it does not pass, the government will spend over the next 5 years $13.855 trillion. With this budget, the government will spend over the next 5 years $13.795 trillion. We are talking about growing entitlement spending at 6.3 percent instead of 6.4 percent, a one-tenth of 1 percent reduction in the increase of spending. Yet you would think the world would be coming to an end.

There is a difference here. There is a difference in philosophy. Mr. Speaker, it is this: they are talking about tax cuts. They are talking about big tax cuts. Their definition of tax cuts is not raising taxes because this budget does not cut taxes. This budget keeps taxes where they are. We are simply proposing that we do not raise taxes; and, instead, we want to control spending. What is it they are offering? No spending control and more tax increases.

We are going into a very expensive winter. Where I come from in Wisconsin, we are going to have a cold winter. We are going to have high heating bills. We are going to have to pay a lot for our heating bills. We have high health care costs. Why on Earth would we want to stick our constituents, the American people, with more taxes?

Mr. Speaker, we should vote for this bill to control spending and keep taxes low and disallow their world view of higher spending and higher taxes.

Mr. NUSSLE. Mr. Speaker, I yield 2 minutes to the gentleman from Florida (Mr. SHAW), a very distinguished gentleman from the Ways and Means Committee.

Mr. SHAW. Mr. Speaker, I thank the chairman for yielding me this time.

Anyone watching this debate tonight must be very, very confused. Are we talking about cuts? What are we talking about? Are we talking about taxes? Taxes are not a part of this bill. Are we talking about cuts? Let me tell you what is happening under just the Ways and Means portion of this bill.

The programs affected in this legislation within my committee's jurisdiction grow. Let me repeat that. Federal spending for the open-ended entitlement programs that are affected in any way by changes in this legislation will grow. These programs include cash welfare, yes, child care, child support enforcement, also foster care and disability benefits.

This year, the Federal Government will spend about $68 billion on this set of programs. That is almost $650 in spending per household in America, and that is before we start counting any spending on health care, retirement, defense, education and other programs; and guess what, spending on these programs, they will grow under this legislation.

Five years from now, we will spend $74 billion on them or $6 billion more than today; but because the spending 5 years from now will not be a projected $76 billion, or about $8 billion more than today, compared with a $6 billion increase provided in this bill, we are supposedly engaging in draconian cuts.

Mr. Speaker, figures do not lie, and neither should we.

Mr. NUSSLE. Mr. Speaker, I yield myself 4½ minutes.

Mr. Speaker, it is interesting. The Democrats come to the floor and they want us to only remember two parts of a very large story. They want us to remember back in May now of 2001. It is kind of an interesting date they picked out of the air, May of 2001. What a wonderful time. Can we all remember back to that time of innocence? Can we all remember back to that time? They want us to remember a time of surpluses. Everything was perfect. They make it sound like such a blissful time.

What they do not want to remind you is that we were suffering at that very moment from a Clinton recession, a Clinton recession where the stock market bubble burst, the dot-coms were failing. We had corporate scandal, and the stock market was plummeting.

We saw some real challenges. We stepped into that breach. We made a very important economic decision that people spending their own money, investing their own money, making decisions in the towns and cities and suburbs and counties of our great land is the best way to grow our economy. It worked and we did create jobs, and we did provide prosperity, and we do know how to do it again.

But then they jump ahead. They do not want you to remember any more of 2001, not 2002, not 2003, 2004. All the way to 2005 is where their story goes next, and it is deficits as far as the eye can see. They do not want you to remember about what happened on September 11. They do not want you to remember the fact that we are now in the middle of prosecuting a global war on terror with our men and women in the field that now they want to recklessly call home and not even want to fund.

What they do not want to recall is the fact that we had reforms that we needed to put into our homeland security to protect our country. They do not want us to recall any of the emergency spending for New York or for the Pentagon. They do not want you to remember the needs that we had when natural disaster struck our country and where, in minutes, the Congress was willing to come back and spend whatever it took to make sure our people were taken care of.

They do not want you to remember any of that. They voted for it. They voted for a lot of that spending, but they do not want you to remember that. They just want you to think that Clinton caused surpluses and now we are in deficits; do not think of anything else in between.

Well, you know, there is a lot in between. It may be a good political plan what they are putting on the floor today. It may be great in a press release. It may be good in a 12-step press release by a Blue Dog budget. It may be great if you are going to go home and run attack ads. It may be great if you are just getting ready for the next election.

But if you want to govern, you need a plan. If you want to govern, you have got to put it on the table. If you want to govern, you have to be serious about the activities and not just come to the floor and be negative. If you want to govern, you need to put it out so that we can decide whether it is the right way to go or not.

Well, we have a plan. It reforms government. It grows the economy, it protects America, and it gets us moving again in a positive way that trusts Americans to make the correct decisions about their future and not trust government to do it for them.

People, individuals and families, make much better decisions about their daily lives than the government can for you. When Democrats come to the floor, their plan will be tax increases and trusting bigger government, bigger bureaucracy, more big, fancy, white buildings filled with bureaucrats to provide the compassion that they do not believe the American people will have for themselves. They have got to manufacture it through government and government bureaucracy; and that is the reason that we are here tonight, because that has not worked. Our government bureaucracy has let down the American people.

We have got to reform those programs so they deliver a quality product, and we have to do it tonight, and we are the only ones to do it. There is no point in talking to the Democrats. They are all in lock-step going to vote ''no.'' They have decided tonight they are going to wait for the election for the American people. They are not going to do anything in the meantime except be negative.

So we have got to do it. We have got to put the plan out. We have got to support it. We have got to provide the reforms, and we have to provide the savings so that we can reduce the deficit and get back to fiscal responsibility.

Mr. SPRATT. Mr. Speaker, I yield 15 seconds to the gentleman from Maryland (Mr. HOYER).

Mr. HOYER. Mr. Speaker, I thank the gentleman for the time.

1984, it was Good Morning in America, the economy was growing, President Reagan was President, Bob Dole the Republican the majority leader of the United States Senate, and big deficits, big deficits, big deficits, big deficits, big deficits, big deficits.

Mr. SPRATT. Mr. Speaker, I yield the balance of our time to the gentlewoman from California (Ms. PELOSI), the minority leader.

Ms. PELOSI. Mr. Speaker, up until now I think we have had a very civil debate here this evening on a very important matter to the American people, a matter that consumes a great deal of the time of the Congress, the blueprint for what we do in the year, the budget.

Tonight, the Republicans are launching an attack on America's children and America's families; and they are also launching an attack on America's middle class, all of this to give a tax cut to the wealthiest people in our country.

This budget is a sham, and it is a shame. Democrats believe that together America can do better.

I am so proud of my Democratic colleagues tonight because they have stood proudly for fiscal responsibility.

I am so proud of the Blue Dogs and how they led this debate tonight for pay-as-you-go, for no deficit spending, for fiscal soundness so that future generations will not have to bear the brunt of the fiscal irresponsibility that the Republicans are continuing to present to the Congress.

I am proud of the gentleman from South Carolina (Mr. SPRATT) for his tremendous leadership as our ranking Democrat on the Budget Committee. He, indeed, has put forth an alternative budget, a Democratic budget, that would eliminate the deficit in 2012, was balanced in terms of its values, its priorities and in addition to its funding.

□ 0100

Mr. RANGEL led the way from the Ways and Means Committee in terms of tax fairness in our country. Mr. DINGELL spoke in and his members spoke so eloquently about what would happen to Medicaid in this Republican proposal, and Mr. MILLER, of course, was relentless in his advocacy for America's students.

I have heard my Republican colleagues talk about those who disagree with their budget priorities as hypocrites and demagogues. Well, let me introduce some others to this debate who might fall into that category by our Republican colleagues' characterization.

Let me start with the National Council of Churches USA. They have written to every Member of Congress and very carefully dissected this budget, and this is what they say: ''The role of government is to protect the people and work for the common good. This is not the time for the budget reconciliation process to create greater hardships for those who are already experiencing great suffering. To do so is not only unjust; it is a sin. It violates all the fundamental Christian principles of loving thy neighbor, caring for the poor, and showing mercy. As religious leaders, this is a violation that is unacceptable to us.

''How is it that we show mercy for oil millionaires and not hurricane survivors? We urge you to change this destructive course of action for the sake of our Nation and for generations to come.''

I submit this for the RECORD. But first I want to read a list of those who signed the letter so that they perhaps will be labeled by our colleagues on the Republican side as hypocrites and demagogues.

The National Council of Churches USA, the Alliance of Baptists; the Diocese of the Armenian Church of America; the Evangelical Lutheran Church

in America; Friends United; Philadelphia Religious Society of Friends; Greek Orthodox Archdiocese of America; International Council of Community Churches; Moravian Church in America; National Baptist Convention USA; National Missionary Baptist Convention of America; Polish National Catholic Church of America; Presbyterian Church USA; Progressive National Baptist Convention; Swedenborgian Church; United Church of Christ; General Board of Church and Society, United Methodist Church.

I am very proud, also, that we have a letter from Catholic Charities. And Catholic Charities says that it is our ''tradition that teaches us that society, acting through government, has a special obligation to consider first the needs of the poor. Yet the proposed budget cuts put a disproportionate burden on the poor, those that can least afford it.''

''We urge you to oppose these proposed cuts.''

And that letter I wish to submit for the RECORD because it carefully goes into every detail of this budget and urges opposition. And, in fact, leaders of the faith community, indeed, came to the Capitol Rotunda to pray that Congress would make the right decision. On November 3, they said that the House Republicans seem to be saying that they literally want to take food out of the mouths of children to make rich people richer. They said budgets are moral documents and they reflect our national priorities and values. In the name of social conscience, fiscal responsibility, equality of opportunity, protecting our communities, and the very idea of the common good, they said that the faith community is drawing a moral line in the sand against these provisions in this budget.

Democrats will join the faith community in drawing a moral line in the sand, because we know that together America can do better.

My Democratic colleagues have eloquently made an indictment against this budget, which is immoral because, with more than $70 billion tax cuts which mainly benefit the wealthiest people in America, this Republican budget decimates the very programs that millions of middle class Americans rely upon to get ahead. As the number of people without health insurance has increased for 4 years in a row under the Bush administration, Republicans are charging ahead with billions of dollars in cuts in Medicaid, the health insurance program that provides medical care to America's poorest children, many of them Katrina survivors. Republicans give new meaning to the words ''suffer little children.''

The number of people in America go to sleep hungry because they cannot afford to buy food has risen by 7 million people in the 5 years of the Bush administration. Seven million more people go to sleep hungry because they cannot afford to buy food. That is a 12 percent increase. Republicans are slashing food assistance for America's poor children; slashing funds for preventative services and foster care for abused and neglected children when more help, not less, is needed; drastically reducing funding for child support enforcement programs, which could result in billions in reduced child support from delinquent dads for their children.

And how about this one: For our troops serving in combat zones in Iraq, they are prevented from fully accessing the low-income tax credit. How is that for honoring our men and women in uniform?

The Republicans, as the people of faith said in their document, are literally taking food out of the mouths of children to give tax cuts to America's wealthy. This is not a statement of American values. In their years in the majority, Republicans have turned budget surpluses into seas of red ink. These budget deficits are the result of misplaced Republican priorities, a refusal to join Democrats in putting forth fiscally responsible budgets, Pay-As-You-Go, no deficit spending, and shared sacrifice in spending cuts. Democrats believe that together America can do better.

And we did. I want to join my distinguished colleague from Maryland (Mr. HOYER), our distinguished whip, in singing the praises of the Democrats. In August of 1993, Democrats passed an economic package that led to historic growth in our economy, and we did so without one Republican vote. As Mr. HOYER said, in the Clinton administration, we had zero deficits. In fact, we had surplus for the last several years of the Clinton administration. We were on a trajectory of $5.6 trillion in surplus. And then the Bush administration began and that all reversed. They have taken us on a trajectory of over $4 trillion, a swing of about $10 trillion, the largest swing from surplus to deficit in our history by far, and a disgraceful one at that. The surpluses were based on Pay-As-You-Go, no deficit spending, and they were implemented with not one Republican vote for fiscal soundness.

The Republican Congress wants to give tax cuts to the rich, to subsidize oil companies which are enjoying obscene profits while American consumers are paying an increased price at the pump and an increased price for their home heating gas and oil. As the religious community said, why are we giving relief to the oil companies and not the people? They are increasing taxes on the middle class. Nineteen million middle-income Americans will have their taxes increased under this bill.

This is not a values-based budget. It is not worthy of our support. I urge my colleagues to reject this resolution that will increase our swollen budget deficits by another $20 billion, hurt our most vulnerable citizens and the middle class. Again, together, America can do better with a budget that would help Katrina and Rita survivors, veterans, students, working families struggling to fill their gas tanks, heat their homes, and afford medical care.

Democrats are proud to join the faith community in rejecting this immoral budget. I urge my colleagues to vote ''no.''

The material previously referred to is as follows:

NATIONAL COUNCIL OF CHURCHES USA,
New York, NY, October 19, 2005.

DEAR MEMBER OF CONGRESS: (As leaders of America's major faith communities, we write to you at a moment of great moral urgency for our Nation when hundreds of thousands of our most vulnerable citizens are at risk.) We urge you to put aside partisan politics and pass a Federal budget that reflects the moral priorities of the wide majority of Americans. (We urge you to work for, not against, the common good of all of America's citizens and not just a privileged few.)

This is a grave time in our Nation. We are in the midst of a tremendous social and economic crisis, thrust vividly into public view by the recent natural disasters along the Gulf Coast. The times demand profound changes if the quality of life is to improve for millions of families. The United States budget is a reflection of who we are and what our priorities are as a Nation. It is inconceivable—in the wake of the devastating impact of the recent natural disasters—that Congress would propose $50 billion in cuts for child care benefits, Medicaid, Temporary Assistance to Needy Families, Head Start, student loans, and other vital services for people in need. In the aftermath of these disasters, such catastrophic cuts can only deepen the pain and suffering and dramatically increase the number of people living in poverty in this Nation.

We watched as members of Congress vowed to help rebuild the Gulf Coast. We heard our representatives promise to make helping those affected by hurricanes Katrina and Rita a national priority. Yet despite those pledges, members of Congress now stand ready to cut $50 billion in essential programs that help those in need, while maintaining excessive tax cuts that help only the wealthy. The hurricanes were a natural disaster. But this proposed budget reconciliation would be a moral disaster of monumental proportions—and it is one that can be avoided.

(The role of government is to protect its people and work for the common good.) This is not the time for the budget reconciliation process to create greater hardships for those who are already experiencing great suffering.

To do so is not only unjust; it is a sin. It violates all the fundamental Christian principles of loving thy neighbor, caring for the poor, and showing mercy. As religious leaders, this violation is unacceptable to us.

(How is it that we show mercy for oil millionaires and not hurricane survivors? We urge you to change this destructive course of action for the sake of our nation and for generations to come.)

The outrage expressed by Americans across the country to the images of injustice following Hurricane Katrina—and the subsequent outpouring of generosity from these same citizens—is a message from the grassroots that our government's priorities and budget must reflect American values by helping those most in need at their time of need. Please call a halt to budget reconciliation negotiations that are detrimental and direct your attention to healing rather than harming our society.

Respectfully submitted,
Signed (as of October 19, 2005)

Bishop Thomas Hoyt, Jr., National Council of Churches USA.

Rev. Dr. Robert W. Edgar, National Council of Churches USA.

The Rev. Dr. Stan Hastey, Alliance of Baptists.

His Grace Bishop Vicken Aykazian, Diocese of the Armenian Church of America.

The Rev. Mark S. Hanson, Evangelical Lutheran Church in America.

Friend Retha McCutchen, Friends United Meeting.

Friend Thomas H. Jeavons, Philadelphia Yearly Meeting of the Religious Society of Friends.

His Grace Bishop Dimitrios, Greek Orthodox Archdiocese of America.

Rev. Michael E. Livingston, International Council of Community Churches.

His Grace Metropolitan Zachariah Nicholovos Malankara Orthodox Syrian Church.

The Rev. David L. Wickmann, Moravian Church in America.

Rev. William Shaw, National Baptist Convention USA.

Dr. Melvin Wade, National Missionary Baptist Convention of America.

The Most Reverend Robert M. Nemkovich, Polish National Catholic Church of America.

The Rev. Dr. Clifton Kirkpatrick, Presbyterian Church (U.S.A.).

The Rev. Dr. Major L. Jemison, Progressive National Baptist Convention.

Rev. Tyrone Pitts, Progressive National Baptist Convention.

Ms. Christine Laintner, Swedenborgian Church.

The Rev. John H. Thomas, United Church of Christ.

Mr. James Winkler, General Board of Church and Society, United Methodist Church.

CATHOLIC CHARITIES USA,
Alexandria, VA, November 2, 2005.

Hon. JIM NUSSLE,
Chairman, Committee on the Budget, House of Representatives, Washington, DC.

DEAR CHAIRMAN NUSSLE: On behalf of Catholic Charities USA, one of the Nation's largest private networks of social service providers with 1,400 local agencies and institutions providing essential services to over 7 million people annually, including many families who have to depend on Federal means-tested programs to survive, we would like to express our deep concern about proposals to cut Federal spending by reducing health, nutrition, and income support for some of the poorest families in the United States.

We urge you to oppose these proposed cuts in the House to programs that assist families who are working, children, the elderly and the abused which will have very serious long lasting consequences for individuals, communities and in fact our Nation as a whole.

Increasing numbers of working families are seeking assistance from our agencies to meet basic needs even with the current levels of assistance they receive. Trapped at the bottom of the labor market, they are unable to meet the rising costs in housing, heating and transportation. The expenses these families face are not optional expenses; they must provide these basic needs for their families and are falling further and further behind. Among these families has emerged a new group, who because of a natural disaster, an event totally out their control, find themselves without jobs or their homes. Those who were living on the margins before the disaster are now in fact destitute.

House committees have proposed a series of budget cuts and program changes that will in fact make it impossible for these American families trying to meet the basic necessities of life for their members. These cuts are certain to have long-term effects on the children, elderly, and physically challenged.

At the same time, the Energy and Commerce Committee proposes limiting access to Medicaid financed health care, thereby opening the door to allow states the ability to eliminate coverage for many services to children who desperately need it. Many of whom already skip eating to keep their homes and heat them will find it necessary to pay increased costs from their already stretched resources in order to receive life-saving medication and treatments or go without.

The Ways and Means Committee has chosen to meet its deficit reduction targets by targeting poor families with children. The Committee's proposals would reduce help for the very services for children for which government has a moral as well as legal responsibility: protecting and collecting child support from absent parents.

The Committee proposes that low-income grandparents who make great sacrifices to raise abused and neglected children must forego aid from the government. The proposal jeopardizes the stability of children who have been abused and neglected and who live with relatives. The child welfare system struggles to obtain stable placements for an ever-increasing number of children. Placing children in the home of extended family members whenever possible is an option that needs to be supported, not penalized by federal reimbursement policies.

The Committee's child support proposals will almost certainly increase and deepen child poverty among those families who depend on government aid to collect support from absent parents. These cuts, if implemented, would reduce federal child support program funding by 40 percent, severely reducing states' ability to collect child support for low- and moderate-income families. The Congressional Budget Office projects that child support collections would drop by $24.1 billion over the next ten years. Many states believe that these estimates understate the impact of the cuts on their ability to collect child support for families.

We are also deeply disappointed that the Committee's TANF reauthorization proposal, which is included in its reconciliation package, would sharply increase work requirements for mothers of infants and toddlers. Many middle income families make the choice for mothers to work only part time while children are small and in need of constant attention. Even parents who can afford excellent child care often choose part-time care for pre-schoolers, yet here Congress would be telling very poor single mothers that they have no choice but to put their children in full time day care while they struggle to survive on incomes which are, on average, less than half the poverty level. With all the available research pointing to the importance of the relationships and care giving of children 0–2 on their brain development, this policy seems to suggest just the opposite.

Moreover, the increased work requirement would be imposed without sufficient child care funding for even the current work requirement. Without adequate resources, parents are forced to leave children in less than desirable circumstances with little or no stimulation. In the last Congress, the House agreed to an increase of at least $1 billion for child care, yet the Committee's recommendation is only half that, despite rapidly growing need.

The House Agriculture Committee's proposal to ''save'' $844 million by cutting about 300,000 poor people off the Food Stamp Program is inexplicable to us when U.S. Department of Agriculture reported last week that 38.2 million people lived in households that were ''food insecure'' in 2004—a government measure of the number of people who have difficulty meeting their food budgets. The USDA report shows that the number of individuals facing food insecurity increased by almost two million people between 2003 and 2004. The Agriculture Committee proposal would make it far more difficult for the working poor to qualify for food stamps, despite clear need.

In addition, legal immigrants who are already barred from receiving food stamps (and Medicaid and TANF) for the first 5 years they live and work in the U.S. would be denied food stamps for an additional 2 years. Even the poorest immigrants who work full time at very low wages and elderly and disabled immigrants who are unable to work would be denied assistance. This proposal would reverse President Bush's successful effort in 2002 to restore food stamp benefits to legal immigrants who have been in U.S. for five years.

On the other hand, the Energy and Commerce Committee package includes a provision for an additional $1 billion in mandatory spending for the Low Income Home Energy Assistance Program which is urgently needed to help offset part of the ruinous increase in home heating costs to be borne this winter by very poor elderly and disabled people and families. We urge the House to include that provision in its reconciliation bill.

Taken as a whole, the proposals for cuts in programs that support low-income working families, families who take in vulnerable children and our elderly will have long term effects on the families, communities, and our nation. They would leave the most vulnerable among us poorer, sicker, hungrier, and more isolated.

On behalf of Catholic Charities USA, I strongly urge you to oppose cuts in programs that serve the poorest people in America. Our Catholic tradition teaches that society, acting through government, has a special obligation to consider first the needs of the poor, yet the proposed budget cuts put a disproportionate burden on the poor—those that can least afford it.

Sincerely,

FR. LARRY SNYDER,
President, Catholic Charities USA.

[From the Sojourners, Nov. 3, 2005]

JIM WALLIS AND FAITH LEADERS CALL FOR A MORAL BUDGET AND URGE CONGRESS TO SAY 'NO' TO SOCIAL CUTS THAT PAY FOR TAX CUTS

Jim Wallis, the progressive evangelical founder of *Sojourners* and convener of Call to Renewal, joined several national religious leaders in a press conference today at the U.S. Capitol. Wallis and the religious leaders urged members of Congress to derail plans to make deep budget cuts that hurt poor children and families.

As the campaign to challenge the budget and tax cuts by the faith community continues to build momentum, Jim Wallis said in today's press conference: ''Sometimes it takes a natural disaster to prevent a social disaster. The waters of Katrina have washed away our national denial of just how many Americans are living in poverty. But some in Congress are not paying attention. Cutting social services from this year's budget that help the poor—to pay for tax cuts for the rich—is a moral travesty that violates biblical priorities.''

''Plans for deep cuts to social supports are contrary to national priorities we need to protect our most vulnerable citizens,'' continued Wallis. ''We need strong moral leadership in Congress, especially during this time

of war, record deficits, rising poverty and hunger, and natural disasters. Cutting food stamps and health care that meets the basic needs of poor families would be a moral failure.''

''As this moral battle for the budget unfolds, I am calling on Members of Congress, some of whom make much out of their faith, to start some bible studies before they cast votes to cut food stamps, Medicaid, child care and more that hurt the weakest in our Nation. The faith community is drawing a moral line in the sand against these priorities. I call on political leaders to show political will in standing up for 'the least of these,' as Jesus reminds us to do.''

For the past 4 weeks, Jim Wallis and religious leaders from diverse traditions have met with Members of Congress to discuss how social cuts for poor families and tax cuts for wealthy Americans are unconscionable and immoral. Budgets are moral documents and they reflect our national priorities and values. In the name of social conscience, fiscal responsibility, equality of opportunity, protecting our communities and the very idea of a 'common good,' the upcoming budget votes will be closely watched by people of faith,'' said Wallis.

Mr. NUSSLE. Mr. Speaker, but still no plan.

But to close on our plan, Mr. Speaker, I yield the balance of my time to the distinguished gentleman from Illinois (Mr. HASTERT), the Speaker of the House.

Mr. HASTERT. Mr. Speaker, I thank the chairman for yielding me this time.

I guess we have heard it all. We have heard an argument wrapped in religious morality. We have heard revisionist history. We have actually heard a lot of words tonight. We have had epithets thrown back and forth across this hall, which does not make me proud and probably does not make the American people. But what we have to do is do the people's work. We were elected by the American people to make a difference.

Now, I remember 1993. I remember the largest tax increase in American history. That is what they call ''fiscal integrity.'' The American people rejected that. I also remember 1997. Maybe I have been around too long, but in 1997, we did deficit reduction. We also did welfare reform. If I remember right, we passed it once; it got vetoed. We passed it twice; it got vetoed. We passed it three times, and the President decided if he was going to get reelected, he had better sign it, and then he took credit for it.

In this body it has been the people on this side of the aisle that have done the tough work, that have done their homework, and have made a difference.

I also remember in 1999, 2000, and 2001, we paid down $500 billion of public debt. We wiped that debt off. I will tell my colleagues in 2001 we had 9/11. Three thousand people got killed in 45 minutes in this country. And we probably had to respond to that. And we have. Then we had a deficit. The great bubble of that economy burst. It did not burst on their watch, but it burst because people were overleveraged and it was overheated. But we have responded. And we have had 10 consecutive quarters of 3 percent-plus economic growth because this party has worked hard to do what the American people sent us here to do.

You can talk about meanness and mean spiritedness, but I will tell you the most mean spirited thing we can do is to leave our children with a debt that they cannot pay. We can leave our children with a deficit. And you are right. You are right. Stand up and clap because we will leave our children with a deficit that they cannot spend down or save.

I will tell my colleagues when we look at this bill, we talk about the growth in Medicaid. Governors are calling us from both parties and saying, Help us do something, help us to have a plan to reform Medicaid so that we can save some money, so that we can offer more services to more people in a better way.

And you know what? We worked at it. We did have reform. And Medicaid is growing at a 7.3 percent growth rate per year. A 7.3 percent growth rate. It has been growing for years.

Is there a better way to do it? Is there a more efficient way to do it? Should we find some reforms to make it better? Yes, we should. And we are bending that growth rate from 7.3 to 7 percent. Think about it.

The American people expect us to do what is right. The American people do not want all of these platitudes of moral indignity. They want us to go to work. They want us to do our job. They want us to provide a better life for themselves and their children, and this majority will do it. It is our responsibility. We can start right now by voting for this bill.

Mr. KENNEDY of Rhode Island. Mr. Speaker, I would like to take this opportunity to share my concerns on the language in the Budget Reconciliation Act on Medicaid pharmacy dispensing fees. As I understand these provisions, states are required to pay dispensing fees to pharmacies for Medicaid prescriptions. While this might seem like a step forward, all states pay such fees now. Thus, we are really not assuring adequate access to pharmacies by just specifying that states have to pay a dispensing fee. I represent a state with almost 200,000 Medicaid beneficiaries and by the end of this decade, one in five Rhode Islanders will have no choice but to turn to Medicaid for basic health care. As more and more working families are forced to enroll in Medicaid, it is our duty to ensure that they are able to access providers and pharmacies to receive the care they so desperately need.

This legislation sets a minimum $8 dispensing fee for generic drugs, however there is no specific minimum fee set forth for brand drug dispensing fees in the bill. Currently, more than half of all prescription drugs dispensed in the Medicaid program are brand name drugs with no generic competition. I am concerned that we are not requiring states to provide a minimum dispensing fee for these drugs.

If states do not set appropriate dispensing fees, I am concerned that pharmacies will be paid below their cost to dispense prescription drugs in the Medicaid program. As a result, Medicaid recipients could have difficulty obtaining the prescription drugs that they need from their neighborhood pharmacy, and many pharmacies may have to close or reduce hours.

The total payment to pharmacies for the drug product and dispensing fee must be adequate to pay pharmacies to buy the drug, dispense the medication, and have a reasonable return. It is my understanding that if the current proposed reductions to pharmacy reimbursement in Medicaid are enacted, states would have to pay double or triple the dispensing fees currently being paid just so pharmacies can break even. However, states are already faced with limited funds and I am concerned that they will not choose such high dispensing fees without being required to.

Community pharmacies play a crucial role in providing Medicaid beneficiaries with lifesaving medications. I hope that my colleagues will take my comments under consideration when moving forward with these reforms in the Medicaid pharmacy payment system in order to provide adequate reimbursements to pharmacies dispensing Medicaid prescriptions.

Mr. EVANS. Mr. Speaker, I rise today in strong opposition to the so called ''Deficit Reduction Act of 2005.'' The purpose of this bill was to rein in the deficit in order to offset the costs of rebuilding areas devastated by Hurricanes Katrina and Rita, and to aid displaced hurricane victims. Unfortunately, the Deficit Reduction Act does exactly the opposite. It raises the deficit, while cutting crucial funding for critical federal programs such as Medicaid ($11.4 billion in proposed cuts), food stamps ($796 million), student loans ($14.3 billion), and child support enforcement ($4.9 billion); programs hurricane victims need now more than ever.

The Deficit Reduction Act also hurts residents in my district by significantly cutting funding for rural development.

This legislation disguises the fact that the $50 billion it proposes in mandatory cuts will go to offset revenue lost due to the President's tax cuts passed in the budget resolution earlier this year. Additionally, this bill facilitates further tax cuts for the wealthy, leaving nothing for deficit reduction or for hurricane victims.

The Deficit Reduction Act is part of a larger budget resolution that calls for $57 billion in additional tax cuts, increasing the deficit by at least $35 billion. After the tax cuts are in place, there will not be a dime left to pay for Katrina or Rita. Why must those who suffered at the hands of the hurricanes be asked to sacrifice more?

Since 2003, Congress has passed three huge supplemental appropriations bills for the cost of the war and reconstruction in Iraq. I supported these bills because when we put troops in the field, we stand behind them. As a former Marine, I am committed to that. I ask my colleagues who support this bill this: We don't offset the costs of rebuilding Baghdad and Basra; Why do you request we offset the costs for New Orleans and Biloxi? The bottom line of this bill is that average Americans are being asked to sacrifice so wealthy Americans can receive tax cuts.

When the Bush Administration took office in 2001, it inherited a surplus and predicted that surplus would continue even if tax cuts were

adopted. The Bush budget was passed by Congress and became law. In fiscal 2005 there was no surplus, but instead a deficit of $319 billion. Estimates indicate that these deficits will only get worse over the next ten years, and it will be hurricane victims and the poor who will pay for it.

Because I serve in Congress for those who need the helping hand of the government during national emergencies, or who struggle to pay for college, or who are sick and poor and rely on Medicaid, or who live in the rural communities of my district, I cannot support the Deficit Reduction Act and I will vote against its enactment in its present form.

Ms. FOXX. Mr. Speaker, as a lawmaker, we constantly must make important decisions while various forces pressure us one way or the other. Frequently ''doing the right thing'' is not the most popular choice. Often, ''doing the right thing'' for the majority of Americans could negatively impact small factions in the process. Rarely is ''doing the right thing'' an easy thing to do.

But ''doing the right thing'' is what my constituents elected me to do. ''Doing the right thing'' is why I first sought public office, and why I will continue to do so as long as my body allows. ''Doing the right thing'' is why I have consistently called for budget reconciliation and restrained spending. My constituents work hard for their money, and that money is not meant for the federal government to take and waste.

I cast a difficult vote against the massive Hurricane spending bill because it was the right thing to do. It was not easy and it was not initially popular, but it was the right thing to do. Unfortunately I lost that vote, and as a result our government slipped even deeper into a budget deficit. Just as my constituents spend less on other things when they encounter emergency costs, the federal government must do the same.

Although it wasn't the easy thing to do, we are now doing the right thing by slowing the growth of government spending to accommodate for the hurricane funding. Our Committee chairmen have been meticulous in cutting wasteful and duplicative spending so that the slowed growth that federal programs face will be minor. I am proud to have played a role in that process in the Education and Workforce and Agriculture Committees.

Over the past few weeks I have met with community pharmacists from North Carolina and my staff has spoken with dozens on the phone. The pharmacists believe that slowing the growth of the Medicaid bureaucracy will negatively impact them to the point that their pharmacies can no longer operate. As their Representative and as a customer of community pharmacies, those concerns are extremely important to me.

I approached Chairman BARTON and his staff on the issue, and if the changes made in this bill indeed adversely affect community pharmacists in the long term to the point that they can no longer operate, we must promptly revisit the topic with stand alone legislation or some other technical fix. However, I can not in good conscience vote against a bill so important to our nation's prosperity because of its effect on one important interest. That is not to say that their concerns did not weigh heavily on my mind; the good simply could not be thrown away for the perfect.

Voting for this bill is the right thing to do, and I hope we will continue to slow the growth of our federal government. My constituents know how best to spend their money—not politicians.

Mr. DINGELL. Mr. Speaker, today we are considering what my colleagues on the other side of the aisle call budget reconciliation. Ironically, the hurricanes are being used to rationalize cutting the very programs the hurricane survivors rely on. In fact, this budget will do more harm to the poor and unfortunate than the storms.

Let us be clear about the purpose of the legislation before us today: all of these spending cuts are going towards financing tax cuts. In recent years, deficits have been the largest in history—indicate that we are spending far beyond our means. I find it ironic that Republicans are calling this bill the ''Deficit Reduction Act,'' because it will actually increase the deficit.

Republicans are asking working families to foot the bill for a massive tax giveback for the wealthy. Due to the President's previous tax policies, millionaires get an average tax cut of $103,000 a year and the new bill will continue this trend. Americans, the young, aged, sick, poor and the unfortunate will get a reduction in benefits.

I have been before this body on numerous occasions to discuss priorities, so it is not necessary to go into detail about how misguided this legislation is. I hear time and time again how the Republican fiscal policy has been working to stimulate the economy and create jobs. No one has yet seen the evidence of this so-called success. My people back in Michigan certainly are not celebrating any successes of the GOP Congress. And not just in Michigan—poll after poll shows two-thirds of the American people disapprove of the way the President is handling the economy.

I frequently hear from constituents who are struggling just to make ends meet. From veterans who are not getting medical treatment, students trying to pay for college, farmers and laborers alike—all of these people are working hard to scrape by and make a decent living in this country. At minimum wage, they would earn $10,700 per year, barely one-tenth of the average tax giveback for millionaires.

Meanwhile, my colleagues will ask these hard-working Americans to foot the bill for another massive tax giveback. Those with particularly low incomes will be hurt the most. The reconciliation package will cut food stamps, student aid and Medicaid—all are programs which largely benefit the most vulnerable members of our society.

The current conflict in Iraq has been entirely funded by the deficit. During times of war, past presidents have found ways to curb the deficit through increased revenue, closing tax loopholes and budgetary enforcement rules such as PAYGO. President Reagan realized that his tax act was causing large deficits and so in 1982 he supported a repeal of the parts of his tax bill that had not been enacted. President George H.W. Bush also realized that the deficit was getting too large and increased taxes in 1990. It may not have been politically popular, but it was the right thing to do. Shocking as it may seem to Republicans, President Bush's tax increase, along with President Clinton's balanced budget, led us into an unprecedented period of surplus and economic well-being.

This Administration and this Congress have chosen to ignore the obvious, opting instead to keep the blinders on and march forward with their reckless tax policies. Republicans complain incessantly about ''tax and spend'' liberals, but all I see in Congress and the White House are ''spend and spend'' Republicans who cut programs which benefit ordinary Americans.

I know that many of my colleagues on both sides of the aisle have doubts about this legislation and I urge them to oppose it. This is not sound policy. We can do far better.

Mr. MORAN of Virginia. Mr. Speaker, this Republican-controlled Congress has run higher annual deficits and accrued more debt than ever before in the history of our Nation. This budgetary irresponsibility is leading us down a dangerous path and must be stopped.

After the devastation of Hurricanes Katrina and Rita, and with the continuing costs of our ill-advised war in Iraq, restoring fiscal discipline has taken on added urgency.

Our responsibility today is to decide how to begin to allocate the burden of restoring financial order. Our choice is straightforward: we can place the burden on those least able to bear it by cutting financial assistance to the poor and social services programs to the needy, or we can place it on those far more able to bear it by deferring the billions in tax cuts which were enacted just two years ago, some provisions of which have yet to take effect.

How we exercise this responsibility will reflect our philosophy on government, our faithfulness to the concept of a caring community, and the values of compassion and fairness we hold most important.

The Federal Government should not retreat from its role of caring for those Americans who are most in need and of enabling every individual to participate in the remarkable opportunities that America has to offer. I believe that all Americans have a responsibility, and most have a desire, to share in our national burdens and to participate in our national response to crisis. And I believe that every action this Congress takes must reflect the values and principles that make this country so unique in its greatness.

This bill is contrary to each of these beliefs, for it imposes practically the entire burden of putting our fiscal house in order on the members of our national community who are least able to bear it.

This bill cuts more than $50 billion in mandatory spending on vital programs, such as food stamps, Medicaid, child support, student loans, SSI, and child care—$15 billion more than the $35 billion in mandatory cuts in the original budget resolution.

The bill will lead to 250,000 people losing food stamps, will result in children missing mental health treatment or simple aids like eye glasses because of the $12 billion in cuts from Medicaid, and will make it more difficult for students to pay back student loans.

The bill will cut child support programs and SSI benefits, and will force a decline in the number of children who receive child care while their single mothers work.

Soon after considering this bill, we will consider another bill that proposes to reduce federal taxes by $70 billion. These tax cuts, and the corresponding benefits, will affect a much different segment of Americans than the bill now under consideration. Indeed, the majority of these tax benefits will go to the 0.2 percent of Americans with annual incomes over $1

million. They don't need this largesse, and we cannot afford to give it to them.

Taking from the poor to give to the rich is wrong, and I believe that our constituents recognize that it's also un-American.

Mr. ETHERIDGE. Mr. Speaker, I rise in strong opposition to this Republican Budget cut package.

First, let me state that I strongly support balancing the federal budget and paying off the national debt. I am tremendously proud that during my first term in the U.S. House, Congress and the White House worked together in a bipartisan manner to balance the federal budget for the first time in a generation and produced record budget surpluses.

Unfortunately, the current Republican Congressional Leadership has produced a budget plan with harmful cuts to essential services that does nothing to reduce the budget deficits or offset the costs of recovery from Hurricane Katrina or the ongoing war in Iraq. At a time when American families are getting squeezed, the budget reconciliation package cuts funding for priorities including Medicaid, student loans, child support and food stamps that assist the working poor and the middle class.

Specifically, this legislation will cut Medicaid by $11.4 million, student loans by $14.3 billion, food stamps by $796 million and child support by $24.1 billion. The bill also breaks the promise of the Farm Bill by cutting $1 billion from agriculture support and $760 million from conservation. Although I am pleased this version of the bill abandons earlier attempts to open the Arctic Wildlife Refuge and coastal areas like the Outer Banks to oil and gas drilling and a few other modest improvements, these changes in no way compensate for the bill's fundamental flaws.

Congress should reject this legislation and go back to the drawing board to produce a responsible federal budget for the American people. I support pay-as-you-go (PAYGO) budget rules to enact budget discipline and restore fairness and equity to the budget process. I want Congress and the President to work together across the partisan divide to balance the budget once again, pay down the national debt and invest in our people and our country's economic competitiveness in the 21st century global marketplace.

I urge my colleagues to join me in voting against these senseless budget cuts.

Mr. ORTIZ. Mr. Speaker, when we passed the federal budget earlier this year, Democrats offered an alternative that would have achieved a balanced budget in 10 years . . . 10 years to spread out the pain of finally paying our bills again and freeing up the future for our children.

When we passed this budget last Spring, we were told there was no fat in it—it was all bone. Well, when you cut bone, you fall down.

Today the House is striking out . . . even if this bill passes today, let it forever be known as the "3 strikes and you're out" budget.

Strike 1: It hits hard our senior citizens, who built this great country . . .

Strike 2: It squeezes our middle class that pays the taxes and struggles to pay the household bills . . . and

Strike 3: It dumps on our children and students that represent the future of this nation. Three strikes . . . congratulations, today Congress hits all 3 components of American society with these budget cuts.

But let's get to why this bill is before us today. We're not here because the hurricanes busted the budget. . . . It's not the war . . . it's that many people in this House demand that we spend the Treasury's money on tax cuts for wealthier Americans. Period. It's about nothing more than spending this money on tax cuts—or, more appropriately: tax increases on our children.

Budgets are a reflection of who we are and what we value. The budget cuts offered in the House of Representatives today—which I oppose—simply do not represent the values that we say are important to us in this nation.

South Texans have been astounded at the depth of cuts in the federal budget, which means Texas students will be less likely to stay in school or go to college . . . Low income Texas children will be sicker with the cut in health benefits . . . Seniors will lose essential services. . . .

Today's bill will increase the deficit by $20 billion, give more tax cuts to the wealthy, and hurt those who use student loans, who need health care and who benefit from rural programs.

We have got to come up with a budget that represents the right priorities for students, seniors, Katrina families and rural Americans. We had an opportunity to vote for such a budget last Spring, with the right priorities, that paid down the deficit—authored by JOHN SPRATT—but the House rejected it.

It is incumbent upon all of us in Congress to help all Americans, not just the wealthy few. We can do better than this—and we must.

Mr. SKELTON. Mr. Speaker, budgets illustrate the values of our nation. This year's budget reconciliation bill fails to live up to the values of the people I am privileged to represent in West Central Missouri.

The Republican budget opens the 2002 Farm Bill by reducing farm, rural development, and conservation programs; slashes Medicaid; diminishes financial aid programs for Missouri's college bound students; and denies low-income working families access to food and nutrition initiatives. These reductions in critical rural programs are recommended at the same time as Republicans push for more expansive tax cuts for the wealthiest in society.

Most of us in rural Missouri pride ourselves on being prudent with our money. We balance our checkbooks each month and do not dig too deep into debt. While running a family is much different than running a country, these common sense Show-Me State values ought to be replicated in Congress.

But instead, the Republicans are plunging our country deeper into debt by passing a budget that includes more tax cuts than spending cuts. The budget bill ignores our commitments to rebuild the Gulf Coast after Hurricanes Katrina, Rita, and Wilma. It also fails to properly account for expected future supplemental spending requests for ongoing military operations.

Our nation's fiscal house is not in order and this bill does nothing to fix that. Congressional leaders and the President need to go back to the drawing board and meet in a bipartisan fashion to create a budget plan that more adequately balances the interests—and values—of the American people. When George H.W. Bush faced a similar budget crisis, he had the courage to create a bipartisan budget summit and to implement needed budget constraints. America is better for it, and I hope that our leaders today will follow that example.

Mr. Speaker, the Republican budget reconciliation bill should be defeated. Congress must do better at representing the interests of every American, not just the wealthy few. I stand ready to work with all my colleagues in a bipartisan fashion, ensuring that the budget we prepare truly represents the values of a caring nation.

Mr. HOLT. Mr. Speaker, I rise today to oppose strongly the budget reconciliation bill under consideration. Those who support this bill claim it imposes spending discipline to pay for the costs of hurricane relief; in truth, it only continues the majority's pattern of taking from the middle class and the needy to give it to the wealthiest percent.

The American people came together to respond to the devastation caused by Hurricane Katrina. Families donated record amounts to charities and opened their doors to those displaced by the storm. But now the Republicans are using Katrina to divide our Nation again. They claim that deep cuts of $54 billion are needed in programs like Medicaid, food stamps and child support enforcement to pay for hurricane relief. These cuts will neither pay for Katrina relief nor reduce the deficit. These are being used to pay for a portion of the $70 billion in tax cuts for the wealthiest Americans that we will be considering shortly.

Mr. Speaker, these cuts are being made on the backs of the working class, seniors and middle class families. In many cases, those who have the least are being made to sacrifice the most. For example, there are about one million Medicaid recipients in New Jersey. Almost half of them are children. This budget reconciliation bill would slash funding for Medicaid by $11.4 billion, putting our nation's most vulnerable citizens, including those affected by Hurricanes Katrina, Rita, and Wilma, at risk of losing the only health insurance they have.

Another provision in the bill cuts $796 million from food stamps. Again, how can the majority even consider these cuts when the hurricanes cost hundreds of thousands of Americans their homes and livelihoods? Cutting food stamps for the impoverished while giving tax breaks to wealthiest America is not just bad policy, it is immoral.

New Jersey is hit particularly hard by many of the cuts in this bill. We all know that the price of heating a home, either with natural gas or heating oil will be extremely high this year because of rising energy prices. Families are bracing for higher bills. And yet, the Low Income Home Energy Assistance Program, which helps people pay their energy bills when it is needed most is being cut by more than $10 million in New Jersey alone. As a result, about 20,000 New Jerseyans are expected to lose much needed assistance. I assume those well-to-do families receiving tax breaks instead will sleep in warm homes this winter. Why the majority is choosing this path baffles and sorely disappoints me.

The list of cuts goes on. In New Jersey alone 3,000 mothers will be dropped from the Women Infant Children (WIC) program which helps mothers care for their babies before and after birth by ensuring they get proper healthcare, food and training for being a parent. Five hundred children in New Jersey currently attending Head Start will be cut out of this important childhood education and development program. Two thousand, nine hundred low-income and disabled people will be cut from Section 8 housing vouchers, all in New

Jersey alone. New Jersey will lose $11 million for cleaning water for drinking and recreation. Child support enforcement is also slashed. Mr. Speaker, I thought the majority believed in accountability and in fathers paying a fair share for the upbringing of their children. If they do, why are they cutting funding for enforcing child support collections by nearly $5 billion?

A college education will soon get even more expensive if this bill passes. 125,000 college students in New Jersey will be affected. That's because the plan makes $14.3 billion in cuts to federal student financial aid, the largest cut in history. The result will be nearly $8 billion in new charges that will raise the cost of college loans—through new fees and higher interest—for millions of American students and families who borrow to pay for college. For the typical student borrower, already saddled with $17,500 in debt, these new fees and higher interest charges could cost up to $5,800.

It is wrong to cut financial aid for students and families struggling to pay for college in order to pay for more tax breaks for the richest Americans. Financial barriers should never prevent a qualified student from going to college, and that is why America has long since made the commitment to help all Americans pay for it. Federal support for student loans is good for our economy and world leadership. Using these funds to pay for tax breaks for people who need them least robs us of an important investment in our future.

Mr. Speaker, this budget reconciliation bill is terribly misguided. Why should we have yet another tax cut for the top one percent, paid for with cuts to investments in critical areas like health, environment and education? And why, further, should we go even deeper into debt—borrowing even more money from China—for plans that we should be ashamed to force upon our children and grandchildren? Together we can do better, Mr. Speaker. I urge my colleagues to oppose this bill.

Mr. VAN HOLLEN. Mr. Speaker, I rise today in strong opposition to this reckless and misguided budget reconciliation package.

At their heart, budgets are about our priorities. And the priorities we choose reflect the values we hold dear.

Mr. Speaker, I do not believe this budget represents the priorities of the American people—and it flies directly in the face of the values that have always made this nation shine.

First of all, let's dispense with the fiction that this measure is some kind of down payment on the majority's newfound commitment to fiscal responsibility. In point of fact, the net effect of these spending cuts—when paired with their accompanying tax cuts—will be to actually increase the deficit by $20 billion. So much for fiscal responsibility.

And where are these cuts coming from? Are we scaling back the billions in excess payments to HMOs and drug companies in the Medicare bill? Or the billions in tax breaks for corporate interests in the FSC/ETI bill? Or the billions in subsidies to the fossil fuel industry in the energy bill? Of course not.

Instead, in the aftermath of a lethal hurricane, with stagnant wages and rising poverty, 45 million Americans uninsured, and unprecedented global competition, we are slashing Medicaid for the poor, food stamps for the hungry and financial assistance to families trying to afford college.

This budget is a disgrace. Parts of our Nation were recently devastated by a natural disaster. Tonight, the damage being done is entirely man-made, and entirely avoidable. The wounds are self-inflicted.

Because I sit on the Education and Workforce Committee, I want to say a word about the Republicans' unprecedented Raid on Student Aid.

When the Higher Education Act was signed into law in 1965, it began a 40-year federal commitment to throw open the doors of higher education to every college-ready student, regardless of their family's income. It was the right thing to do for our students—and the smart thing to do for our country.

You see, in addition to the importance of giving every child the opportunity to reach his or her full potential, the reality is that college graduates earn $1 million more over their lifetimes than their counterparts who don't attend college. That's an enormous return the taxpayers' original investment—an investment that is only going to get more important as we compete to win in the global marketplace of the 21st century.

Which is why it is simply astonishing that this package includes the single largest cut to federal student aid in the 40-year history of the Higher Education program. By draining $15 billion out of student financial assistance, we are effectively tacking $5800 onto the cost of college for today's average student. We are making college less affordable at a time when we should be doing precisely the opposite. Predictably, the result will be less people going to college.

The Congressional Advisory Committee on Student Financial Assistance has already projected that financial barriers will prevent 4.4 million high school graduates from attending a four-year public college over the next decade, and another two million high school graduates from attending any college at all. This reconciliation package is going to make that statistic much, much worse.

And for what? To pay—or I should really say partially pay—for tax cuts, over 50 percent of which go to the top .2 percent of households already earning over $1 million a year.

Mr. Speaker, the choices in our budgets should reflect the values and priorities of the American people. This budget fails that test. I am confident that if this budget was supposed to be a mirror of American values, the American people would not recognize themselves. We can do so much better than this.

Ms. SCHAKOWSKY. Let's have a little reality check, Mr. Speaker. There are Republicans cowering in fear right now about their vote on this immoral budget bill. That's right. There are Republicans right now, huddled in their offices, who are scared to death that their hard working constituents will be furious if they vote for cutting student loans for their kids, or cutting health care for pregnant woman and little children, or literally taking food out of the mouths of hungry kids so that rich people can get tax cuts.

Mr. Speaker, those Republicans ought to be scared and I want to offer them some friendly advice. Remember, I warned them that seniors would be very unhappy with the Medicare prescription drug bill they insisted on passing, and I was right. So now I'm warning you that, no matter how sarcastic or self-righteous your leaders get tonight, your constituents get it: cuts in health care and education for them, tax cuts for millionaires, and unprecedented increases in deficits. Don't kid yourself. The American people see it.

It is very dangerous to underestimate the American people, and there are many Republicans that know that. All the fancy arguments that say "reduced spending is not really a cut" are going nowhere, and they know it. They can walk the plank for their leaders tonight, but if they think they are going to get away with it, they should think again.

Mr. HONDA. Mr. Speaker, rise in strong opposition to H.R. 4241, legislation that will require approximately $57 billion in federal spending reductions. Deceptively titled the Deficit Reduction Act, the bill resorts to trickery—a sleight of hand in which fiscal responsibility is promised, but never delivered. H.R. 4241 could actually increase the budget deficit by $35 billion, while instituting draconian cuts to essential federal programs, such as Medicaid and student loan.

Proponents of the bill suggest that such cuts are necessary to offset the recovery and reconstruction costs of Hurricanes Katrina and Rita. This assertion is curious at best. Since 2003, Congress has approved three colossal supplemental spending bills for the war and reconstruction effort in Iraq without providing any offsets as proposed by Democrats. Why are Republicans suddenly so interested in offsetting the reconstruction of Biloxi, but not the reconstruction of Baghdad?

The American people should not be misled. These long-planned spending cuts have little to do with Biloxi or Baghdad. They, instead, are a necessary prelude to another Republican effort to shepherd through Congress tax cuts that disproportionately benefit the wealthiest Americans. In fact, the so-called Deficit Reduction Act is a part of a much broader budget resolution that calls for a total of $106 billion in additional tax cuts.

With tax cuts for the rich in the offing, Republicans propose to restore fiscal restraint by imposing cuts to federal programs that benefit the most vulnerable Americans. The bill, for example, cuts Medicaid spending by $11.4 billion. Medicaid currently provides critical health care to 50 million low-income children, families, seniors, and people with disabilities. Cutting the program will force thousands into the ranks of the uninsured.

The bill would allow states to increase cost-sharing and impose new premiums on many categories of Medicaid beneficiaries. Research shows that when cost-sharing is increased significantly for low-income people, their use of health care services declines and their health status worsens. To make matters worse, H.R. 4241 allows states, for the first time, to let health care providers refuse care if a beneficiary cannot afford the co-payment. In doing so, a state can bypass an entitlement in current law that provides children with coverage of medical care and health services. This change could negatively affect more than 1/5 of children covered by Medicaid—more than 5 million children overall.

This Republican budget reconciliation bill also calls for $14.3 billion in cuts to student loan programs. The State of California has the highest number of student borrowers at 496,822. Tuition at public universities has skyrocketed by 57 percent over the last five years, and yet the GOP proposes the largest cut in the history of student aid—resulting in the typical student borrower having to pay as much as $5,800 more for his or her college

loans. Ultimately, cutting the student loan program compromises America's global competitiveness and the economic vitality of Silicon Valley.

H.R. 4241 also requires $4.9 billion in cuts to child support enforcement, dramatically impairing states' ability to enforce child support orders. In fact, the Congressional Budget Office has estimated that the bill will lead to $24.1 billion in reduced child support collections over the next ten years, including a $4.9 billion loss to California's single parents that rely on child support to survive.

The Republican leadership's reprehensible cuts sadly extend to other equally important federal priorities, including $577 million in cuts to foster care programs, $796 million to food stamps, and $732 million from the Supplemental Security Income (SSI). Millions of Americans rely on these critical federal programs as a safety net and a platform for upward mobility.

As an advocate for fiscal responsibility, I cannot support a proposal that will worsen the federal budget's bottom line, while giving short shrift to the needs of working Americans. I am proud to belong to the party of fiscal responsibility. In the 1990s, President Clinton and Congressional Democrats erased record deficits and ushered in an era of record surpluses. Our Nation now needs to return to the very practices that offered prosperity in the 1990s, which is what my Democratic colleagues and I sought to do earlier this year during debate on the FY2006 Budget Resolution. The Democratic plan would have instituted pay-as-you-go rules and balanced the budget by 2012.

The federal budget should embody our nation's values, not undermine them as this budget amendment does. President Bush and his allies in Congress have been poor stewards of our national finances by placing special interests above the people's interests, and now they expect working Americans to shoulder the costs of their reckless policies.

I oppose the appalling cuts required by H.R. 4241, and I encourage my colleagues on both sides of the aisle to vote against this harmful measure.

Mr. RAHALL. Mr. Speaker, while the Rule governing the pending budget reconciliation bill through a self-executing clause eliminated provisions that would have opened ANWR to energy development and enabled long-standing moratoria on OCS oil and gas drilling to be lifted, largely flying under the radar screen are provisions still contained in the pending legislation which would amount to the largest fire sale of federal lands in our Nation's history.

These provisions would turn the clock back on federal public land policy to the days of the Homestead Act of 1862, signed into law by President Lincoln, with a cruel twist.

The Homestead Act was appropriate in its era to help settle the West, transferring roughly 270 million acres of federal lands into the hands of private citizens for homes and farms. Largely as a result of that law, the West was transformed, it was populated, States were created, cities were built, and these areas became an integral and valuable part of the United States.

However, when the usefulness of this Act expired, it was repealed, and since the Federal Land and Management Policy Act of 1976 it has been the official policy of the United States not to divest public domain land holdings, allowing exceptions when in the public interest.

The provisions pending in the budget reconciliation bill before us today, however, would under the guise of reforming the Mining Law of 1872, signed into law by President Grant, and still on the books today, transform this law into a general federal lands sale program with no nexus to mining.

As the Denver Post editorialized today, ''the amendments really aren't about mining; they're about real estate speculation.'' The editorial noted: ''It's an invitation to condo developers, mini-mansion homebuilders and other speculators to snatch up federal lands that otherwise would never leave federal ownership.''

With a wink and a nod, this budget proposal sells not just the minerals under these federal lands, but the pristine lands that just happen to be located near high-priced zip codes.

Because these provisions eliminate the existing moratorium on the patenting—the sale—of mining claims and dissociate the act of staking and maintaining a mining claim on western federal lands from having to make a showing that a valuable mineral deposit actually exists—under the subterfuge of a 'mining law' vast areas of federal lands would be put on the sales block for either $1,000 an acre or the fair market value of the surface estate, regardless, and I stress, regardless, of whether there are billions of dollars worth of underlying valuable hardrock minerals such as gold and silver.

Ironically, these provisions have the potential to put on the sales block more than 270 million acres of federal lands, equivalent to what was disposed of under the Homestead Act of 1862.

And to be clear, these land sales could take place in National Forests, Wilderness Study Areas and Areas of Critical Environmental Concern. Further, while the legislation purports to exempt National Parks, it does nothing to stop the sale of the 900 mining claims already existing in park units to developers.

We are literally looking at the prospect of McDonalds, Wal-Marts, condos, or any other type of commercial or private developments springing up smack dab within some of America's most cherished units of the National Park System.

Incredible, simply incredible, and all being done without a single Congressional hearing on these provisions.

I am on record as having requested the Rules Committee to omit these provisions from the budget reconciliation bill or in the alternative, allow me to offer an amendment which I am certain would have garnered sufficient votes to strip these egregious provisions from the legislation.

I was not afforded an opportunity to offer that amendment. But I can guarantee one thing, as this proposed massive give-away of the public's lands become more known to the American public there will be a great hue and cry.

These provisions not only turn over many of our most cherished natural resource heritage sites to development, but will rob the public of recreational activities and tourism. They will be met with ''no trespassing signs'' on lands they have traditionally used for hunting, fishing and other recreational pursuits.

There are alternatives. Rather than enact these horrific provisions which CBO estimates would raise a paltry $158 million over the next five years, we could, as I have long advocated, engage in real reform of the Mining Law of 1872.

We should maintain the bipartisan moratorium on the patenting of mining claims that I advocated and which has been in place since fiscal year 1994, and impose an 8% royalty on the production of valuable minerals from mining claims which would raise $350 million over the next five years.

For these reasons, and many others, I urge a no vote on this ill-conceived budget bill.

Mr. NEUGEBAUER. Mr. Speaker, the federal government is facing a serious deficit due to recession, attacks on our Nation and the ongoing war on terrorism. The good news is that the deficit is going down and, although it doesn't go as far as I would like, this legislation reduces the deficit further.

Much-needed tax relief helped boost the economy and create more than 4 million jobs since May of 2003. Following three straight years of tax relief, tax revenues are up and the deficit is down by nearly $200 billion.

The growing economy makes a difference, but Congress must also take action on the spending side of the equation. For the first time in more than 20 years, we are on track to reduce discretionary spending by almost one percent. However, more than half of federal spending takes place through programs with budgets that essentially run on auto-pilot. Until we address the runaway spending growth in these programs, which is outpacing growth of the economy, Congress will never be able to balance the budget.

Republicans in Congress have developed a plan that will reform these auto-pilot programs and save taxpayer dollars in order to reduce the deficit. The Deficit Reduction Act includes program reforms totaling nearly $50 billion in net savings over the next five years. To put this in perspective, this slows the rate of growth in the automatic portion of the budget by one-tenth of a percent. No, this is not nearly enough to close the deficit gap, but it is an important start that will have positive effects.

Although I support the savings in this bill, I am extremely disappointed that the portion of our plan that would reduce dependency on foreign oil by allowing exploration in a small portion of the Arctic Refuge was struck from the bill. Raising $3.678 billion over five years through oil and gas leases would not only help reduce the deficit but would also increase our energy security. The House has overwhelmingly voted to open ANWR in the past, and there is no good reason why this bill should not include it.

All areas of government must contribute to the savings in this bill, and agriculture is no exception. However, with high fuel costs, the last thing our producers need is to bear a disproportionate burden of the deficit-reducing effort. I worked to ensure that agriculture's contribution treats farmers fairly, protects the core policies of the 2002 Farm Bill, and looks at all areas of spending within USDA. Our plan reduces farm program direct payments by just one percent for the next four years and delays elimination of the Step 2 cotton competitiveness program until August, 2006.

I support the reforms we are making in the food stamp program to help ensure that benefits are going to those who are truly eligible and in need. Despite the claims to the contrary, we are not reducing nutrition assistance for a single U.S. citizen who meets the eligibility requirements. Rather, our reforms will direct benefits to U.S. citizens and discontinue

the practice of automatically granting enrollment to certain groups of recipients without first determining their eligibility. This irresponsible practice has resulted in millions of dollars of benefits going to those who are not eligible.

Our plan strengthens Medicaid, which has helped many low-income Americans gain access to healthcare. Federal Medicaid spending has increased 97 percent since 1995 and will continue to grow by an unsustainable seven percent each year if no reforms are made.

Because Medicaid also represents a large share of state budgets, provisions offered by a bipartisan coalition of governors are included in our plan. These provisions include requiring more accurate prescription drug pricing and closing loopholes that have allowed wealthy Americans to deplete their assets and collect benefits intended for those who truly need them. We also require states to better enforce current laws and prevent illegal immigrants from getting Medicaid. These reforms will save $12 billion through the end of this decade.

Some in Congress, and their allies outside these halls, attack this plan and willfully misrepresent the effects it will have on Americans. Let's be clear: Congress is not cutting programs. What we are doing is taking a step to slow the unsustainable growth rate of these programs and reform them to prevent waste and abuse.

Those who criticize this effort have offered no alternative of their own. Because they are bereft of new ideas, they are content to carp from the sidelines. But left to their own devices, they would increase taxes on hardworking American families to grow the size of an already massive and wasteful government. The bottom line is that real solutions and responsible leadership are needed to balance the federal government's checkbook. By reforming government and renewing our commitment to hardworking American taxpayers, our plan will continue to reduce the deficit and expand the economy.

Mr. FRELINGHUYSEN. Mr. Speaker, I rise In strong support of the Deficit Reduction Act.

In recent weeks, much public and media focus has been placed on one potential provision in this legislation that called for drilling in the Arctic National Wildlife Refuge. I respect all those who have called my office and otherwise expressed their opinion about this important issue.

While I am well aware of the ''pros'' and ''cons'' of domestic drilling, I regret that this ''hot button'' issue has allowed some to lose focus on the basic legislation before Congress: how to reduce the federal budget deficit. This debate should be about the tough choices we are making to reduce the deficit.

Over the past several years, our fiscal priorities have reflected a historic convergence of events: a recession that began in the year 2000; the 9/11 terrorist attacks; the need to seriously upgrade security for our homeland; a multi-front war against terrorism, including Iraq and Afghanistan; AND natural disasters in South Asia and along our Gulf Coast.

At the same time, we have maintained a commitment to strengthening our economy. As a result, millions of new jobs have been created, unemployment is down, and Americans have more money in their pockets. Still, we can—and must—do better. And I am pleased that this Congress is serious about making our government more efficient.

The Fiscal Year 2006 budget resolution calls for significant reductions in federal spending. This year, the House Appropriations Committee on which I serve, passed all of its FY 2006 spending bills by July 4th—on time and under budget—holding domestic discretionary spending below last year's levels for the first time in a generation. Further, the committee eliminated 98 programs for a savings of $4.3 billion.

The Deficit Reduction Act mandates more restraint and less spending. By slowing the growth of spending and reforming and eliminating wasteful programs, the House is reducing the deficit.

The Deficit Reduction Act provides $50 billion in budget savings over the next five years. And for those who claim this goes too far, let's be clear that this represents just one half of one percent of the $7.8 trillion in ''entitlement spending'' anticipated over the next five years. If American families are making sacrifices and ''tightening belts,'' the federal government can too.

Clearly, some are also concerned with the form and size of some of the budget reforms in Medicaid, Medicare, student loans, food stamps, and other programs. In reality, the Deficit Reduction Act takes great care to protect our most vulnerable citizens while continuing to ensure taxpayer dollars are spent as wisely and efficiently as possible.

Mr. Speaker, the budget decisions we make today are tough but they are also long overdue. The hardworking American taxpayers are watching. They want us to put this federal government on a ''crash diet.''

The Deficit Reduction Act is a necessary step toward renewed fiscal responsibility, and it deserves the House's full support.

Mr. PAUL. Mr. Speaker, as one who has long urged my colleagues to cut spending, and who has consistently voted against excessive and unconstitutional expenditures, I am sure many in this body expect me to be an enthusiastic supporter of H.R. 4241, the Deficit Reduction Act. After all, supporters of this bill are claiming it dramatically reforms federal programs and puts Congress back on the road to fiscal responsibility.

For all the passionate debate this bill has generated, its effects on the federal government and taxpayers are relatively minor. H.R. 4241 does not even reduce federal expenditures. That's right—if H.R. 4241 passes, the federal budget, including entitlement programs, will continue to grow. H.R. 4241 simply slows down the rate of growth of federal spending. The federal government may spend less in the future if this bill passes then it otherwise would, but it will still spend more than it does today. To put H.R. 4241 in perspective, consider that this bill reduces spending by less than $50 billion over 10 years, while the most recent ''emergency'' supplemental passed by this Congress appropriated $82 billion to be spent this year.

H.R. 4241 reduces total federal entitlement expenditures by one half of one percent over the next five years. For all the trumpeting about how this bill gets ''runaway entitlement spending'' under control, H.R. 4241 fails to deal with the biggest entitlement problem facing our nation—the multi-billion dollar Medicare prescription drug plan, which will actually harm many seniors by causing them to lose their private coverage, forcing them into an inferior government run program. In fact, the Medicare prescription drug plan will cost $55 billion in fiscal year 2006 alone, while H.R. 4241 will reduce spending by only $5 billion next year. Yet, some House members who have voted for every expansion of the federal government considered by this Congress will vote for these small reductions in spending and then brag about their fiscal conservatism to their constituents.

As is common with bills claiming to reduce spending, the majority of spending reductions occur in the later years of the plan. Since it is impossible to bind future Congresses, this represents little more than a suggestion that spending in fiscal years 2009 and 2010 reflect the levels stated in this bill. My fiscally responsible colleagues should keep in mind that rarely, if ever, does a Congress actually follow through on spending reductions set by a previous Congress. Thus, relying on future Congresses to cut spending in the ''out years'' is a recipe for failure.

One provision of the bill that would have undeniably benefited the American people, the language opening up the ANWR region of Alaska and expanding offshore drilling, has been removed from the bill. As my colleagues know, increased gas prices are a, if not the, top concern of the American people. Expanding the supply of domestically produced oil is an obvious way to address these concerns; yet, Congress refuses to take this reasonable step.

Mr. Speaker, some of the entitlement reforms in H.R. 4241 are worthwhile. For example, I am hopeful the provision allowing states to require a copayment for Medicaid will help relieve physicians of the burden of providing uncompensated care, which is an issue of great concern to physicians in my district. Still, I am concerned that the changes in pharmaceutical reimbursement proposed by the bill may unfairly impact independent pharmacies, and I am disappointed we will not get to vote on an alternative that would have the same budgetary impact without harming independent pharmacies.

I also question the priorities of singling out programs, such as Medicaid and food stamps, that benefit the neediest Americans, while continuing to increase spending on corporate welfare and foreign aid. Just two weeks ago, Congress passed a bill sending $21 billion overseas. That is $21 billion that will be spent this fiscal year, not spread out over five years. Then, last week, Congress passed, on suspension of the rules, a bill proposing to spend $130 million on water projects—not in Texas, but in foreign nations. Meanwhile, the Financial Services Committee, on which I sit, has begun the process of reauthorizing the Export-Import Bank, which uses taxpayers' money to support business projects that cannot attract capital in the market. Mr. Speaker, the Export-Import Bank's biggest beneficiaries are Boeing and communist China. I find it hard to believe that federal funding that benefits Fortune 500 companies and China is a higher priority for most Americans than Medicaid and food stamps.

H.R. 4241 fails to address the root of the spending problem—the belief that Congress can solve any problem simply by creating a new federal program or agency. However, with the federal government's unfounded liabilities projected to reach as much as $50 trillion by the end of this year, Congress can no longer avoid serious efforts to rein in spending. Instead of the smoke-and-mirrors approach of H.R. 4241, Congress should begin the journey

toward fiscal responsibility by declaring a 10 percent reduction in real spending, followed by a renewed commitment to reduce spending in a manner consistent with our obligation to uphold the Constitution and the priorities of the American people. This is the only way to make real progress on reducing spending without cutting programs for the poor while increasing funding for programs that benefit foreign governments and corporate interests.

□ 0115

The SPEAKER pro tempore (Mr. THORNBERRY). Pursuant to House Resolution 560, 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.

RECORDED VOTE

Mr. SPRATT. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, this 15-minute vote on passage of H.R. 4241 will be followed by a 5-minute vote on suspending the rules and agreeing to House Resolution 546.

The vote was taken by electronic device, and there were—ayes 217, noes 215, not voting 2, as follows:

[Roll No. 601]

AYES—217

Aderholt
Akin
Alexander
Bachus
Baker
Barrett (SC)
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Biggert
Bilirakis
Bishop (UT)
Blackburn
Blunt
Boehlert
Boehner
Bonilla
Bonner
Bono
Boozman
Boustany
Bradley (NH)
Brady (TX)
Brown (SC)
Brown-Waite, Ginny
Burgess
Burton (IN)
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Carter
Castle
Chabot
Chocola
Coble
Cole (OK)
Conaway
Crenshaw
Cubin
Culberson
Cunningham
Davis (KY)
Davis, Jo Ann
Davis, Tom
Deal (GA)
DeLay
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Doolittle
Drake
Dreier
Duncan
Ehlers
Emerson
English (PA)
Everett
Feeney
Ferguson
Fitzpatrick (PA)
Flake
Foley
Forbes
Fortenberry
Fossella
Foxx
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gibbons
Gilchrest
Gillmor
Gingrey
Gohmert
Goode
Goodlatte
Granger
Graves
Green (WI)
Gutknecht
Hall
Harris
Hart
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Hensarling
Herger
Hobson
Hoekstra
Hostettler
Hulshof
Hunter
Hyde
Inglis (SC)
Issa
Istook
Jenkins
Jindal
Johnson, Sam
Keller
Kelly
Kennedy (MN)
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Kuhl (NY)
LaHood
Latham
LaTourette
Lewis (CA)
Lewis (KY)
Linder
LoBiondo
Lucas
Lungren, Daniel E.
Mack
Manzullo
Marchant
McCaul (TX)
McCotter
McCrery
McHenry
McKeon
McMorris
Mica
Miller (FL)
Miller (MI)
Miller, Gary
Moran (KS)
Murphy
Musgrave
Myrick
Neugebauer
Northup
Norwood
Nunes
Nussle
Osborne
Otter
Oxley
Pearce
Pence
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Porter
Price (GA)
Pryce (OH)
Putnam
Radanovich
Regula
Rehberg
Reichert
Renzi
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Royce
Ryan (WI)
Ryun (KS)
Saxton
Schmidt
Schwarz (MI)
Sensenbrenner
Sessions
Shadegg
Shaw
Sherwood
Shimkus
Shuster
Simpson
Smith (TX)
Sodrel
Souder
Stearns
Sullivan
Tancredo
Taylor (NC)
Terry
Thomas
Thornberry
Tiahrt
Tiberi
Turner
Upton
Walden (OR)
Walsh
Wamp
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Whitfield
Wicker
Wilson (SC)
Wolf
Young (AK)
Young (FL)

NOES—215

Abercrombie
Ackerman
Allen
Andrews
Baca
Baird
Baldwin
Barrow
Bean
Becerra
Berkley
Berman
Berry
Bishop (GA)
Bishop (NY)
Blumenauer
Boren
Boucher
Boyd
Brady (PA)
Brown (OH)
Brown, Corrine
Butterfield
Capps
Capuano
Cardin
Cardoza
Carnahan
Carson
Case
Chandler
Clay
Cleaver
Clyburn
Conyers
Cooper
Costa
Costello
Cramer
Crowley
Cuellar
Cummings
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (TN)
DeFazio
DeGette
Delahunt
DeLauro
Dicks
Dingell
Doggett
Doyle
Edwards
Emanuel
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Filner
Ford
Frank (MA)
Gerlach
Gonzalez
Gordon
Green, Al
Green, Gene
Grijalva
Gutierrez
Harman
Hastings (FL)
Herseth
Higgins
Hinchey
Hinojosa
Holden
Holt
Honda
Hooley
Hoyer
Inslee
Israel
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Kennedy (RI)
Kildee
Kilpatrick (MI)
Kind
Kucinich
Langevin
Lantos
Larsen (WA)
Larson (CT)
Leach
Lee
Levin
Lewis (GA)
Lipinski
Lofgren, Zoe
Lowey
Lynch
Maloney
Markey
Marshall
Matheson
Matsui
McCarthy
McCollum (MN)
McDermott
McGovern
McHugh
McIntyre
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Menendez
Michaud
Millender-McDonald
Miller (NC)
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (VA)
Murtha
Nadler
Napolitano
Neal (MA)
Ney
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Peterson (MN)
Pomeroy
Price (NC)
Rahall
Ramstad
Rangel
Reyes
Ross
Rothman
Roybal-Allard
Ruppersberger
Rush
Ryan (OH)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Schakowsky
Schiff
Schwartz (PA)
Scott (GA)
Scott (VA)
Serrano
Shays
Sherman
Simmons
Skelton
Slaughter
Smith (NJ)
Smith (WA)
Snyder
Solis
Spratt
Stark
Strickland
Stupak
Sweeney
Tanner
Tauscher
Taylor (MS)
Thompson (CA)
Thompson (MS)
Tierney
Udall (CO)
Udall (NM)
Van Hollen
Velázquez
Visclosky
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Wexler
Wilson (NM)
Woolsey
Wu
Wynn

NOT VOTING—2

Boswell
Towns

□ 0141

Mr. GUTIERREZ changed his vote from ''aye'' to ''no.''

Mr. GILCHREST and Mr. LaTOURETTE changed their vote from ''no'' to ''aye.''

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

CONDEMNING TERRORIST ATTACKS IN JORDAN

The SPEAKER pro tempore (Mr. THORNBERRY). The unfinished business is the question of suspending the rules and agreeing to the resolution, H. Res. 546, as amended.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentlewoman from Florida (Ms. ROS-LEHTINEN) that the House suspend the rules and agree to the resolution, H. Res. 546, as amended, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 409, nays 0, not voting 24, as follows:

[Roll No. 602]

YEAS—409

Abercrombie
Ackerman
Aderholt
Akin
Alexander
Allen
Andrews
Baca
Bachus
Baird
Baldwin
Barrett (SC)
Barrow
Bartlett (MD)
Barton (TX)
Bass
Beauprez
Becerra
Berkley
Berman
Berry
Biggert
Bilirakis
Bishop (GA)
Bishop (NY)
Bishop (UT)
Blackburn
Blumenauer
Blunt
Boehlert
Bonilla
Bonner
Bono
Boozman
Boren
Boucher
Boustany
Boyd
Bradley (NH)
Brady (PA)
Brady (TX)
Brown (OH)
Brown (SC)
Brown, Corrine
Brown-Waite, Ginny
Burgess
Burton (IN)
Butterfield
Buyer
Calvert
Camp
Cannon
Cantor
Capito
Capps
Capuano
Cardin
Cardoza
Carnahan
Carson
Carter
Case
Castle
Chabot
Chandler
Chocola
Cleaver
Clyburn
Coble
Cole (OK)
Conaway
Conyers
Cooper
Costa
Costello
Cramer
Crenshaw
Crowley
Cubin
Cuellar
Culberson
Cummings
Cunningham
Davis (AL)
Davis (CA)
Davis (FL)
Davis (IL)
Davis (KY)
Davis (TN)
Davis, Tom
Deal (GA)
DeFazio
DeGette
Delahunt
DeLauro
DeLay
Dent
Diaz-Balart, L.
Diaz-Balart, M.
Dingell
Doolittle
Doyle
Drake
Dreier
Duncan
Edwards
Ehlers
Emanuel
Emerson
Engel
English (PA)
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Feeney
Ferguson
Filner
Fitzpatrick (PA)
Flake
Foley
Forbes
Ford
Fortenberry
Fossella
Foxx
Frank (MA)
Franks (AZ)
Frelinghuysen
Gallegly
Garrett (NJ)
Gerlach
Gibbons
Gilchrest
Gillmor

Gingrey
Gohmert
Gonzalez
Goode
Goodlatte
Gordon
Granger
Graves
Green (WI)
Green, Al
Green, Gene
Grijalva
Gutierrez
Gutknecht
Harman
Harris
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hensarling
Herger
Herseth
Higgins
Hinchey
Hinojosa
Hobson
Hoekstra
Holden
Holt
Honda
Hooley
Hostettler
Hoyer
Hulshof
Hunter
Hyde
Inglis (SC)
Inslee
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Jenkins
Jindal
Johnson (CT)
Johnson (IL)
Johnson, Sam
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kildee
Kilpatrick (MI)
Kind
King (IA)
King (NY)
Kingston
Kirk
Kline
Knollenberg
Kolbe
Kucinich
Kuhl (NY)
LaHood
Langevin
Lantos
Larsen (WA)
Larson (CT)
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren, Zoe
Lowey
Lucas
Lungren, Daniel E.
Lynch
Mack
Maloney
Manzullo
Marchant
Markey
Matheson
Matsui
McCarthy
McCaul (TX)
McCollum (MN)
McCotter
McCrery
McDermott
McGovern
McHenry
McIntyre
McKeon
McKinney
McMorris
McNulty
Meehan
Meek (FL)
Meeks (NY)
Melancon
Menendez
Mica
Michaud
Millender-McDonald
Miller (FL)
Miller (MI)
Miller (NC)
Miller, Gary
Miller, George
Mollohan
Moore (KS)
Moore (WI)
Moran (KS)
Moran (VA)
Murphy
Musgrave
Myrick
Nadler
Napolitano
Neal (MA)
Neugebauer
Ney
Northup
Norwood
Nunes
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Otter
Owens
Pallone
Pascrell
Pastor
Payne
Pearce
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pitts
Platts
Poe
Pombo
Pomeroy
Porter
Price (GA)
Price (NC)
Pryce (OH)
Putnam
Rahall
Regula
Rehberg
Reichert
Renzi
Reyes
Reynolds
Rogers (AL)
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roybal-Allard
Royce
Ruppersberger
Rush
Ryan (OH)
Ryan (WI)
Ryun (KS)
Sabo
Salazar
Sánchez, Linda T.
Sanchez, Loretta
Sanders
Saxton
Schakowsky
Schiff
Schmidt
Schwartz (PA)
Schwarz (MI)
Scott (GA)
Scott (VA)
Sensenbrenner
Serrano
Sessions
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shuster
Simmons
Simpson
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Sodrel
Solis
Souder
Spratt
Stearns
Strickland
Stupak
Sullivan
Sweeney
Tanner
Tauscher
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Tiahrt
Tiberi
Tierney
Turner
Udall (CO)
Udall (NM)
Upton
Van Hollen
Velázquez
Visclosky
Walden (OR)
Walsh
Wamp
Wasserman Schultz
Waters
Watson
Watt
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Westmoreland
Wexler
Whitfield
Wicker
Wilson (NM)
Wilson (SC)
Wolf
Woolsey
Wu
Wynn
Young (AK)
Young (FL)

NOT VOTING—24

Baker
Bean
Boehner
Boswell
Clay
Davis, Jo Ann
Dicks
Doggett
Hall
Hefley
Johnson, E. B.
Jones (NC)
Latham
Marshall
McHugh
Murtha
Oxley
Paul
Radanovich
Ramstad
Rangel
Stark
Tancredo
Towns

□ 0151

So (two-thirds of those voting having responded in the affirmative) the rules were suspended and the resolution, as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NUSSLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on H.R. 4241.

The SPEAKER pro tempore (Mr. KUHL of New York). Is there objection to the request of the gentleman from Iowa?

There was no objection.

FURTHER MESSAGE FROM THE SENATE

A further message from the Senate by Ms. Curtis, one of its clerks, announced that the Senate has passed a bill of the House of the following title:

H.R. 4326. An act to authorize the Secretary of the Navy to enter into a contract for the nuclear refueling and complex overhaul of the U.S.S. Carl Vinson (CVN–70).

The message also announced that the Senate has passed a bill of the following title in which the concurrence of the House is requested:

S. 705. An act to establish the Interagency Council on Meeting the Housing and Service Needs of Seniors, and for other purposes.

AUTHORIZING THE CLERK TO MAKE CHANGES IN ENGROSSMENT OF H.R. 4241, DEFICIT REDUCTION ACT OF 2005

Mr. NUSSLE. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to make technical and conforming corrections to the text of H.R. 4241, as passed by the House.

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

There was no objection.

THANKING STAFF FOR THEIR WORK ON THE DEFICIT REDUCTION ACT

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

Mr. NUSSLE. Mr. Speaker, I would like to speak out of order for a moment just to thank the staff of the Budget Committee, Jim Bates, a very able staff that put together the bill. I also would like to thank so many of the leadership staff that do such good work around here and the committee staff that put all of this together. They did an excellent job and they deserve a lot of credit for that work.

DEFICIT REDUCTION OMNIBUS RECONCILIATION ACT OF 2005

Mr. NUSSLE. Mr. Speaker, pursuant to section 3 of House Resolution 560, I call up the Senate bill (S. 1932) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 2006 (H. Con. Res. 95), and ask for its immediate consideration in the House.

The Clerk read the title of the Senate bill.

The text of the Senate bill is as follows:

S. 1932

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 ''Deficit Reduction Omnibus Reconciliation Act of 2005''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of Contents.

TITLE I—COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Sec. 1001. Short title.

Subtitle A—Commodity Programs

Sec. 1101. Reduction of commodity program payments.
Sec. 1102. Forfeiture penalty for nonrecourse sugar loans.
Sec. 1103. Cotton competitiveness provisions.
Sec. 1104. National dairy market loss payments.
Sec. 1105. Advance direct payments.

Subtitle B—Conservation

Sec. 1201. Conservation reserve program.
Sec. 1202. Conservation security program.
Sec. 1203. Environmental quality incentives program.

Subtitle C—Miscellaneous

Sec. 1301. Initiative for future agriculture and food systems.

TITLE II—COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Subtitle A—Merger of the Deposit Insurance Funds

Sec. 2001. Short title.
Sec. 2002. Definitions.
Sec. 2003. Merger of BIF and SAIF.
Sec. 2004. Establishment of the Deposit Insurance Fund.
Sec. 2005. Technical and conforming amendments to the Federal Deposit Insurance Act.
Sec. 2006. Other technical and conforming amendments.
Sec. 2007. Effective date.

Subtitle B—Deposit Insurance Modernization and Improvement

Sec. 2011. Short title.
Sec. 2012. Changes to Federal deposit insurance coverage.
Sec. 2013. Designated reserve ratio.
Sec. 2014. Assessment credits and dividends.
Sec. 2015. Assessments-related records retention and statute of limitations.
Sec. 2016. Increase in fees for late assessment payments.
Sec. 2017. Regulations required.
Sec. 2018. Studies of potential changes to the Federal deposit insurance system.
Sec. 2019. Effective date.

Subtitle C—FHA Asset Disposition
Sec. 2021. Short title.
Sec. 2022. Definitions.
Sec. 2023. Appropriated funds requirement for below market sales.
Sec. 2024. Up-front grants.
Sec. 2025. Authorization of appropriations.
Subtitle D—Adaptive Housing Assistance
Sec. 2031. Short title.
Sec. 2032. Adoptive housing assistance for disabled veterans residing temporarily in housing owned by a family member.
Sec. 2033. GAO reports.
TITLE III—COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION
Sec. 3001. Short title.
Sec. 3002. Analog spectrum recovery; hard deadline.
Sec. 3003. Auction of recovered spectrum.
Sec. 3004. Supplemental license fees.
Sec. 3005. Digital Transition and Public Safety Fund.
Sec. 3005A. Communication system grants.
Sec. 3006. Essential air service program.
TITLE IV—ENERGY AND NATURAL RESOURCES
Sec. 4001. Oil and gas leasing program.
TITLE V—COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS
Sec. 5001. Technical corrections to SAFETEA–LU.
TITLE VI—COMMITTEE ON FINANCE
Sec. 6000. Amendments to Social Security Act.
Subtitle A—Medicaid
CHAPTER 1—PAYMENT FOR PRESCRIPTION DRUGS UNDER MEDICAID
Sec. 6001. Pharmacy reimbursement.
Sec. 6002. Increase in rebates for covered outpatient drugs.
Sec. 6003. Improved regulation of authorized generic drugs.
Sec. 6004. Collection of rebates for certain physician administered drugs.
CHAPTER 2—LONG-TERM CARE UNDER MEDICAID
Sec. 6011. Reform of Medicaid asset transfer rules.
Sec. 6012. State long-term care partnerships.
CHAPTER 3—ELIMINATING FRAUD, WASTE, AND ABUSE IN MEDICAID
Sec. 6021. Enhancing third party recovery.
Sec. 6022. Limitation on use of contingency fee arrangements.
Sec. 6023. Encouraging the enactment of State False Claims Acts.
Sec. 6024. Employee education about False Claims Recovery.
Sec. 6025. Prohibition on restocking and double billing of prescription drugs.
Sec. 6026. Medicaid Integrity Program.
CHAPTER 4—STATE FINANCING UNDER MEDICAID
Sec. 6031. Reforms of targeted case management.
Sec. 6032. Temporary Federal matching payments for Federal assistance.
Sec. 6033. Managed care organization provider tax reform.
Sec. 6034. Inclusion of podiatrists as physicians.
Sec. 6035. DSH allotment for the District of Columbia.
Sec. 6036. Demonstration project regarding Medicaid reimbursement for stabilization of emergency medical conditions by non-publicly owned or operated institutions for mental diseases.
Sec. 6037. Limitation on severe reduction in the Medicaid FMAP for fiscal year 2006.
Sec. 6038. Extension of prescription drug rebates to enrollees in Medicaid managed care organizations.
Sec. 6039. Extension of the Medicare Part A and B payment holiday.
Sec. 6039A. Sense of the Senate.
Sec. 6039B. Authority to continue providing certain adult day health care services or medical adult day care services.
Sec. 6039C. Demonstration project regarding Medicaid coverage of low-income HIV-infected individuals.
Sec. 6039D. Additional increase in rebate for single source and innovator multiple source drugs.
CHAPTER 5—IMPROVING THE MEDICAID AND STATE CHILDREN'S HEALTH INSURANCE PROGRAMS
SUBCHAPTER A—FAMILY OPPORTUNITY ACT
Sec. 6041. Short title of subchapter.
Sec. 6042. Opportunity for families of disabled children to purchase Medicaid coverage for such children.
Sec. 6043. Demonstration projects regarding home and community-based alternatives to psychiatric residential treatment facilities for children.
Sec. 6044. Development and support of family-to-family health information centers.
Sec. 6045. Restoration of Medicaid eligibility for certain SSI beneficiaries.
SUBCHAPTER B—STATE CHILDREN'S HEALTH INSURANCE PROGRAM
Sec. 6051. Rules for availability, redistribution, and extended availability of allotments for fiscal years 2003, 2004, and 2005.
Sec. 6052. Authority to use up to 10 percent of fiscal year 2006 and 2007 allotments for outreach.
Sec. 6053. Prohibition against covering nonpregnant childless adults with SCHIP funds.
Sec. 6054. Continued authority for qualifying States to use certain funds for Medicaid expenditures.
Sec. 6055. Grants to promote innovative outreach and enrollment under Medicaid and SCHIP.
SUBCHAPTER C—MONEY FOLLOWS THE PERSON REBALANCING DEMONSTRATION
Sec. 6061. Money Follows the Person Rebalancing Demonstration.
CHAPTER 6—OPTION FOR HURRICANE KATRINA DISASTER STATES TO DELAY APPLICATION
Sec. 6071. Option for Hurricane Katrina disaster States to delay application.
Subtitle B—Medicare
Sec. 6101. Improvements to the Medicare-dependent hospital (MDH) program.
Sec. 6102. Reduction in payments to skilled nursing facilities for bad debt.
Sec. 6103. Two-year extension of the 50 percent compliance threshold used to determine whether a hospital or unit of a hospital is an inpatient rehabilitation facility under the Medicare program.
Sec. 6104. Prohibition on physician self referrals to physician owned, limited service hospitals.
Sec. 6105. Minimum update for physicians' services for 2006.
Sec. 6106. One-year extension of hold harmless provisions for small rural hospitals and sole community hospitals under the prospective payment system for hospital outpatient department services.
Sec. 6107. Update to the composite rate component of the basic case-mix adjusted prospective payment system for dialysis services.
Sec. 6108. One-year extension of moratorium on therapy caps.
Sec. 6109. Transfer of title of certain DME to patient after 13-month rental.
Sec. 6110. Establishment of Medicare value-based purchasing programs.
Sec. 6111. Phase-out of risk adjustment budget neutrality in determining the amount of payments to Medicare Advantage organizations.
Sec. 6112. Elimination of Medicare Advantage regional plan stabilization fund.
Sec. 6113. Rural PACE provider grant program.
Sec. 6114. Waiver of part B late enrollment penalty for certain international volunteers.
Sec. 6115. Delivery of services at federally qualified health centers.
Sec. 6116. Technical correction regarding purchase agreements for power-driven wheelchairs.
Sec. 6117. Medicare coverage of ultrasound screening for abdominal aortic aneurysms; national educational and information campaign.
Sec. 6118. Improving patient access to, and utilization of, colorectal cancer screening under medicare.
Sec. 6119. Coverage of marriage and family therapist services and mental health counselor services under part b of the medicare program.
Sec. 6120. Quality measurement systems amendments.
TITLE VII—COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS
Subtitle A—Education Provisions
CHAPTER 1—EDUCATION
Sec. 7101. Provisional grant assistance program.
Sec. 7102. National smart grants.
Sec. 7103. Loan limits.
Sec. 7104. Plus loan interest rates and zero special allowance payment.
Sec. 7105. Reduction of lender insurance reimbursement rates.
Sec. 7106. Guaranty agency origination fee.
Sec. 7107. Deferment of student loans for military service.
Sec. 7108. Recovery through consolidation.
Sec. 7109. Single holder rule.
Sec. 7110. Default reduction program.
Sec. 7111. Requirements for disbursements of student loans.
Sec. 7112. Special insurance and reinsurance rules.
Sec. 7113. School as lender moratorium.
Sec. 7114. Permanent reduction of special allowance payments for loans from the proceeds of tax exempt issues.
Sec. 7115. Special allowances.
Sec. 7116. Origination fee.
Sec. 7117. Income contingent repayment for public sector employees.
Sec. 7118. Family contribution for dependent students.
Sec. 7119. Family contribution for independent students without dependents other than a spouse.
Sec. 7120. Family contribution for independent students with dependents other than a spouse.
Sec. 7121. Regulations; updated tables.
Sec. 7122. Simplified need test and automatic zero improvements.
Sec. 7123. Loan forgiveness for teachers.
Sec. 7124. Effective date.
CHAPTER 2—HURRICANE KATRINA HIGHER EDUCATION RECOVERY
Sec. 7151. Short title.

Sec. 7152. Definitions.
Sec. 7153. Waiver authority and modifications to certain provisions of the Higher Education Act of 1965.
Sec. 7154. General waiver authority and required consultation.
Sec. 7155. Notice of waivers, modifications, or extensions.
Sec. 7156. Regulatory requirements inapplicable.
Sec. 7157. Department of Education Inspector General audit and report.
Sec. 7158. Sunset provision.

Subtitle B—Pension Benefit Guaranty Corporation Premiums

Sec. 7201. Amendments to the Employee Retirement Income Security Act of 1974.

Subtitle C—Higher Education Reauthorization

CHAPTER 1—SHORT TITLE; REFERENCES; GENERAL EFFECTIVE DATE

Sec. 7301. Short title.
Sec. 7302. References.
Sec. 7303. General effective date.

CHAPTER 2—GENERAL PROVISIONS

Sec. 7311. Additional definitions.
Sec. 7312. General definition of institution of higher education.
Sec. 7313. Definition of institution of higher education for purposes of title IV programs.
Sec. 7314. Protection of student speech and association rights.
Sec. 7315. National advisory committee on institutional quality and integrity.
Sec. 7316. Drug and alcohol abuse prevention.
Sec. 7317. Prior rights and obligations.
Sec. 7318. Cost of higher education.
Sec. 7319. Performance-based organization for the delivery of Federal student financial assistance.
Sec. 7320. Procurement flexibility.

CHAPTER 3—TEACHER QUALITY ENHANCEMENT

Sec. 7331. Teacher quality enhancement grants for States and partnerships.

CHAPTER 4—INSTITUTIONAL AID

Sec. 7341. Program purpose.
Sec. 7342. Definitions; eligibility.
Sec. 7343. American Indian tribally controlled colleges and universities.
Sec. 7344. Alaska Native and Native Hawaiian-serving institutions.
Sec. 7345. Native American-serving, nontribal institutions.
Sec. 7346. Part B definitions.
Sec. 7347. Grants to institutions.
Sec. 7348. Allotments to institutions.
Sec. 7349. Professional or graduate institutions.
Sec. 7350. Authorization of appropriations.
Sec. 7351. Technical corrections.

CHAPTER 5—STUDENT ASSISTANCE

SUBCHAPTER A—GRANTS TO STUDENTS IN ATTENDANCE AT INSTITUTIONS OF HIGHER EDUCATION

Sec. 7361. Federal Pell Grants.
Sec. 7362. Federal TRIO Programs.
Sec. 7363. Gaining Early Awareness and Readiness for Undergraduate Programs.
Sec. 7364. Academic Achievement Incentive Scholarships.
Sec. 7365. Federal Supplemental Educational Opportunity Grants.
Sec. 7366. Leveraging Educational Assistance Partnership Program.
Sec. 7367. Special programs for students whose families are engaged in migrant and seasonal farmwork.
Sec. 7368. Robert C. Byrd Honors Scholarship Program.
Sec. 7369. Child care access means parents in school.
Sec. 7370. Learning anytime anywhere partnerships.

SUBCHAPTER B—FEDERAL FAMILY EDUCATION LOAN PROGRAM

Sec. 7381. Extension of authorities.
Sec. 7382. Federal payments to reduce student interest costs.
Sec. 7383. Federal consolidation loans.
Sec. 7384. Default reduction program.
Sec. 7385. Requirements for disbursement of student loans.
Sec. 7386. Reports to credit bureaus and institutions of higher education.
Sec. 7387. Common forms and formats.
Sec. 7388. Student loan information by eligible borrowers.
Sec. 7389. Consumer education information.
Sec. 7390. Definition of eligible lender.
Sec. 7390A. Repayment by the Secretary of loans of bankrupt, deceased, or disabled borrowers; treatment of borrowers attending schools that fail to provide a refund, attending closed schools, or falsely certified as eligible to borrow.

SUBCHAPTER C—FEDERAL WORK-STUDY PROGRAMS

Sec. 7391. Authorization of appropriations.
Sec. 7392. Allowance for books and supplies.
Sec. 7393. Grants for Federal work-study programs.
Sec. 7394. Job location and development programs.
Sec. 7395. Work colleges.

SUBCHAPTER D—WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM

Sec. 7401. Funds for administrative expenses.

SUBCHAPTER E—FEDERAL PERKINS LOANS

Sec. 7411. Program authority.
Sec. 7412. Terms of loans.
Sec. 7413. Cancellation of loans for certain public service.
Sec. 7414. Federal capital contribution recovery.

SUBCHAPTER F—NEED ANALYSIS

Sec. 7421. Cost of attendance.
Sec. 7422. Discretion of student financial aid administrators.
Sec. 7423. Definitions.

SUBCHAPTER G—GENERAL PROVISIONS RELATING TO STUDENT ASSISTANCE

Sec. 7431. Definitions.
Sec. 7432. Compliance calendar.
Sec. 7433. Forms and regulations.
Sec. 7434. Student eligibility.
Sec. 7435. Statute of limitations and State court judgments.
Sec. 7436. Institutional refunds.
Sec. 7437. Institutional and financial assistance for students.
Sec. 7438. National student loan data system.
Sec. 7439. Early awareness of financial aid eligibility.
Sec. 7440. College access initiative.
Sec. 7441. Program participation agreements.
Sec. 7442. Regulatory relief and improvement.
Sec. 7443. Transfer of allotments.
Sec. 7444. Wage garnishment requirement.
Sec. 7445. Purpose of administrative payments.
Sec. 7446. Advisory committee on student financial assistance.
Sec. 7447. Regional meetings.
Sec. 7448. Year 2000 requirements at the department.

SUBCHAPTER H—PROGRAM INTEGRITY

Sec. 7451. Recognition of accrediting agency or association.
Sec. 7452. Administrative capacity standard.
Sec. 7453. Program review and data.

CHAPTER 6—DEVELOPING INSTITUTIONS

Sec. 7501. Definitions.
Sec. 7502. Authorized activities.
Sec. 7503. Duration of grant.
Sec. 7504. Postbaccalaureate opportunities for Hispanic Americans.
Sec. 7505. Applications.
Sec. 7506. Cooperative arrangements.
Sec. 7507. Authorization of appropriations.

CHAPTER 7—INTERNATIONAL EDUCATION PROGRAMS

Sec. 7601. Findings.
Sec. 7602. Graduate and undergraduate language and area centers and programs.
Sec. 7603. Undergraduate international studies and foreign language programs.
Sec. 7604. Research; studies.
Sec. 7605. Technological innovation and cooperation for foreign information access.
Sec. 7606. Selection of certain grant recipients.
Sec. 7607. American overseas research centers.
Sec. 7608. Authorization of appropriations for international and foreign language studies.
Sec. 7609. Centers for international business education.
Sec. 7610. Education and training programs.
Sec. 7611. Authorization of appropriations for business and international education programs.
Sec. 7612. Minority foreign service professional development program.
Sec. 7613. Institutional development.
Sec. 7614. Study abroad program.
Sec. 7615. Advanced degree in international relations.
Sec. 7616. Internships.
Sec. 7617. Financial assistance.
Sec. 7618. Report.
Sec. 7619. Gifts and donations.
Sec. 7620. Authorization of appropriations for the institute for international public policy.
Sec. 7621. Definitions.
Sec. 7622. Assessment and enforcement.

CHAPTER 8—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

Sec. 7701. Purpose.
Sec. 7702. Allocation of Jacob K. Javits fellowships.
Sec. 7703. Stipends.
Sec. 7704. Authorization of appropriations for the Jacob K. Javits Fellowship Program.
Sec. 7705. Institutional eligibility under the graduate assistance in areas of national need program.
Sec. 7706. Awards to graduate students.
Sec. 7707. Additional assistance for cost of education.
Sec. 7708. Authorization of appropriations for the graduate assistance in areas of national need program.
Sec. 7709. Authorization of appropriations for the Thurgood Marshall Legal Educational Opportunity Program.
Sec. 7710. Fund for the improvement of postsecondary education.
Sec. 7711. Special projects.
Sec. 7712. Authorization of appropriations for the fund for the improvement of postsecondary education.
Sec. 7713. Repeal of the urban community service program.
Sec. 7714. Grants authorized for demonstration projects to ensure students with disabilities receive a quality higher education.

Sec. 7715. Applications for demonstration projects to ensure students with disabilities receive a quality higher education.
Sec. 7716. Authorization of appropriations for the demonstration projects to ensure students with disabilities receive a quality higher education.

CHAPTER 9—MISCELLANEOUS

Sec. 7801. Miscellaneous.

CHAPTER 10—AMENDMENTS TO OTHER LAWS

SUBCHAPTER A—EDUCATION OF THE DEAF ACT OF 1986

Sec. 7901. Laurent Clerc National Deaf Education Center.
Sec. 7902. Agreement with Gallaudet University.
Sec. 7903. Agreement for the National Technical Institute for the Deaf.
Sec. 7904. Cultural experiences grants.
Sec. 7905. Audit.
Sec. 7906. Reports.
Sec. 7907. Monitoring, evaluation, and reporting.
Sec. 7908. Liaison for educational programs.
Sec. 7909. Federal endowment programs for Gallaudet University and the National Technical Institute for the Deaf.
Sec. 7910. Oversight and effect of agreements.
Sec. 7911. International students.
Sec. 7912. Research priorities.
Sec. 7913. Authorization of appropriations.

SUBCHAPTER B—UNITED STATES INSTITUTE OF PEACE ACT

Sec. 7921. United States Institute of Peace Act.

SUBCHAPTER C—THE HIGHER EDUCATION AMENDMENTS OF 1998

Sec. 7931. Repeals.
Sec. 7932. Grants to States for workplace and community transition training for incarcerated youth offenders.

SUBCHAPTER D—INDIAN EDUCATION

PART I—TRIBAL COLLEGES AND UNIVERSITIES

Sec. 7941. Reauthorization of the Tribally Controlled College or University Assistance Act of 1978.

PART II—NAVAJO HIGHER EDUCATION

Sec. 7945. Short title.
Sec. 7946. Reauthorization of Navajo Community College Act.

Subtitle D—Hurricane Relief

Sec. 7947. Findings.
Sec. 7948. Immediate aid to restart school operations.
Sec. 7949. Hold harmless for local educational agencies serving major disaster areas.
Sec. 7950. Teacher and paraprofessional reciprocity; delay.
Sec. 7951. Assistance for homeless youth.
Sec. 7952. Temporary emergency impact aid for displaced students.
Sec. 7953. Origination fees for student loans.
Sec. 7954. Authorization and appropriation of funds.
Sec. 7955. Sunset provision.

TITLE VIII—COMMITTEE ON THE JUDICIARY

Sec. 8001. Recapture of unused visa numbers.
Sec. 8002. Fees with respect to immigration services for intracompany transferees.
Sec. 8003. Justice programs.
Sec. 8004. Copyright program.

DIVISION A—AMTRAK REAUTHORIZATION

Sec. 1. Short title.
Sec. 2. Amendment of Title 49, United States Code.

TITLE I—AUTHORIZATIONS

Sec. 101. Authorization for Amtrak capital and operating expenses and State capital grants.
Sec. 102. Authorization for the Federal Railroad Administration.
Sec. 103. Repayment of long-term debt and capital leases.
Sec. 104. Excess railroad retirement.
Sec. 105. Other authorizations.

TITLE II—AMTRAK REFORM AND OPERATIONAL IMPROVEMENTS

Sec. 201. National railroad passenger transportation system defined.
Sec. 202. Amtrak board of directors.
Sec. 203. Establishment of improved financial accounting system.
Sec. 204. Development of 5-year financial plan.
Sec. 205. Establishment of grant process.
Sec. 206. State-supported routes.
Sec. 207. Independent auditor to establish methodologies for Amtrak route and service planning decisions.
Sec. 208. Metrics and standards.
Sec. 209. Passenger train performance.
Sec. 210. Long distance routes.
Sec. 211. Alternate passenger rail service program.
Sec. 212. Employee transition assistance.
Sec. 213. Northeast corridor state-of-good-repair plan.
Sec. 214. Northeast corridor infrastructure and operations improvements.
Sec. 215. Restructuring long-term debt and capital leases.
Sec. 216. Study of compliance requirements at existing intercity rail stations.
Sec. 217. Incentive pay.
Sec. 218. Access to Amtrak equipment and services.
Sec. 219. General Amtrak provisions.
Sec. 220. Private sector funding of passenger trains.
Sec. 221. On-board service improvements.
Sec. 222. Amtrak management accountability.

TITLE III—INTERCITY PASSENGER RAIL POLICY

Sec. 301. Capital assistance for intercity passenger rail service.
Sec. 302. State rail plans.
Sec. 303. Next generation corridor train equipment pool.
Sec. 304. Federal rail policy.
Sec. 305. Rail cooperation research program.

TITLE IV—PASSENGER RAIL SECURITY AND SAFETY

Sec. 401. Systemwide Amtrak security upgrades.
Sec. 402. Fire and life-safety improvements.
Sec. 403. Amtrak plan to assist families of passengers involved in rail passenger accidents.
Sec. 404. Northern border rail passenger report.
Sec. 405. Passenger, baggage, and cargo screening.

TITLE I—COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

SEC. 1001. SHORT TITLE.

This title may be cited as the ''Agricultural Reconciliation Act of 2005''.

Subtitle A—Commodity Programs

SEC. 1101. REDUCTION OF COMMODITY PROGRAM PAYMENTS.

(a) IN GENERAL.—Subtitle F of title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7991 et seq.) is amended by adding at the end the following:

''SEC. 1619. REDUCTION OF COMMODITY PROGRAM PAYMENTS.

''(a) DEFINITION OF COMMODITY PROGRAM PAYMENTS.—In this section, the term 'commodity program payments' means—

''(1) direct payments;

''(2) counter-cyclical payments; and

''(3) payments and benefits associated with the loan program, including gains from the forfeiture of any commodity pledged as collateral for loans and gains from in-kind payments described in section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286), as determined by the Secretary.

''(b) REDUCTION.—

''(1) IN GENERAL.—Notwithstanding any other provision of this title, for each of the 2006 through 2010 crop years for wheat, corn, grain sorghum, barley, oats, upland cotton, extra long staple cotton, rice, soybeans, other oilseeds, wool, mohair, honey, dry peas, lentils, small chickpeas, unshorn pelts, silage, hay, and peanuts, the Secretary shall reduce the total amount of commodity program payments received by the producers on a farm for those commodities for that crop year by an amount equal to 2.5 percent of that amount.

''(2) MILK.—During the period beginning on October 1, 2005, and ending on September 30, 2007, the Secretary shall reduce the total amount of payments received by producers pursuant to section 1502 by an amount equal to 2.5 percent of that amount.''.

(b) COMMODITIES.—

(1) IN GENERAL.—Title I of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7901 et seq.), including each amendment made by that title, is amended by striking ''2007'' each place it appears (other than in sections 1104(f), 1304(g), and 1307(a)(6) and amendments made by this title) and inserting ''2011''.

(2) COTTON.—Sections 1204(e)(1) and 1208(a) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7934(e)(1), 7938(a)) are amended by striking ''2008'' each place it appears and inserting ''2012''.

SEC. 1102. FORFEITURE PENALTY FOR NONRECOURSE SUGAR LOANS.

Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is amended—

(1) by redesignating subsections (h), (i), and (j) as subsections (i), (j), and (k), respectively; and

(2) by inserting after subsection (g) the following:

''(h) FORFEITURE PENALTY.—

''(1) IN GENERAL.—In the case of each of the 2006 through 2010 crops of sugar beets and sugarcane, a penalty shall be assessed on the forfeiture of any sugar pledged as collateral for a nonrecourse loan under this section.

''(2) AMOUNT.—The penalty for sugarcane and sugar beets under this subsection shall be 1.2 percent of the loan rate established for sugarcane and sugar beets under subsections (a) and (b), respectively.

''(3) EFFECT OF FORFEITURE.—Any payments owed producers by a processor that forfeits any sugar pledged as collateral for a nonrecourse loan shall be reduced in proportion to the loan forfeiture penalty incurred by the processor.

''(4) CROPS.—This subsection shall apply only to the 2006 through 2010 crops of sugar beets and sugarcane.''.

SEC. 1103. COTTON COMPETITIVENESS PROVISIONS.

(a) IN GENERAL.—Section 1207 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7937) is amended—

(1) by striking the section heading and inserting the following: ''**UPLAND COTTON IMPORT QUOTAS.**'';

(2) by striking subsection (a);

(3) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively;

(4) in subsection (a) (as so redesignated)—

(A) in paragraph (1)—

(i) in subparagraph (B), by striking '', adjusted for the value of any certificate issued under subsection (a),''; and

(ii) in subparagraph (C), by striking '', for the value of any certificates issued under subsection (a)''; and

(B) in paragraph (4), by striking ''subsection (c)'' and inserting ''subsection (b)''; and

(5) in subsection (b)(2) (as so redesignated), by striking ''subsection (b)'' and inserting ''subsection (a)''.

(b) FAIR.—Section 136 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7236) is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on August 1, 2006.

SEC. 1104. NATIONAL DAIRY MARKET LOSS PAYMENTS.

(a) AMOUNT.—Section 1502(c) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7982(c)) is amended by striking paragraph (3) and inserting the following:

''(3)(A) during the period beginning on the first day of the month the producers on a dairy farm enter into a contract under this section and ending on September 30, 2005, 45 percent; and

''(B) during the period beginning on October 1, 2005, and ending on September 30, 2007, 34 percent.''.

(b) DURATION.—Section 1502 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7982) is amended by striking ''2005'' each place it appears in subsections (f) and (g)(1) and inserting ''2007''.

(c) CONFORMING AMENDMENTS.—Section 1502 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7982) is amended—

(1) in subsection (g)(1), by striking ''and subsection (h)''; and

(2) by striking subsection (h).

SEC. 1105. ADVANCE DIRECT PAYMENTS.

(a) IN GENERAL.—Section 1103(d)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7913(d)(2)) is amended in the first sentence by striking ''2007 crops years'' and inserting ''2005 crop years, up to 40 percent of the direct payment for a covered commodity for the 2006 crop year, and up to 29 percent of the direct payment for a covered commodity for any of the 2007 through 2011 crop years,''.

(b) PEANUTS.—Section 1303(e)(2) of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 7953(e)(2)) is amended in the first sentence by striking ''2007 crops years'' and inserting ''2005 crop years, up to 40 percent of the direct payment for the 2006 crop year, and up to 29 percent of the direct payment for any of the 2007 through 2011 crop years,''.

Subtitle B—Conservation

SEC. 1201. CONSERVATION RESERVE PROGRAM.

(a) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended—

(1) in subsection (a), by striking ''2007'' and inserting ''2011'';

(2) in subsection (d), by striking ''up'' and all that follows through ''years'' and inserting ''in the conservation reserve at any 1 time 36,400,000 acres during the 2002 through 2010 calendar years and 38,300,000 acres in the 2011 calendar year''; and

(3) in subsection (h)(1)(A), by striking ''2007'' and inserting ''2011''.

(b) FUNDING.—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended—

(1) in the matter before paragraph (1), by striking ''For'' and inserting ''Except as otherwise provided in this subsection, for''; and

(2) in paragraph (1), by striking ''The conservation'' and inserting ''For fiscal years 2002 through 2011, the conservation''.

(c) IMPLEMENTATION.—In implementing the amendments made by this section, the Secretary of Agriculture shall achieve the new maximum acreage enrollment limit not later than 2 years after the date of enactment of this Act without affecting conservation reserve existing contracts.

SEC. 1202. CONSERVATION SECURITY PROGRAM.

(a) IN GENERAL.—Section 1238A(a) of the Food Security Act of 1985 (16 U.S.C. 3838a(a)) is amended by striking ''2007'' and inserting ''2011''.

(b) FUNDING.—Section 1241(a)(3) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(3)) is amended by striking ''not more than $6,037,000,000'' and all that follows through ''2014.'' and inserting the following: ''not more than—

''(A) $1,954,000,000 for the period of fiscal years 2006 through 2010; and

''(B) $5,200,000,000 for the period of fiscal years 2006 through 2015.''.

SEC. 1203. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

(a) IN GENERAL.—Section 1240B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)(1)) is amended by striking ''2007'' and inserting ''2011''.

(b) LIMITATION ON PAYMENTS.—Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa–7) is amended by striking ''2007'' and inserting ''2011''.

(c) FUNDING.—Section 1241(a)(6) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(6)) is amended by striking subparagraphs (D) and (E) and inserting the following:

''(D) $1,017,000,000 in fiscal year 2005;

''(E) $1,185,000,000 in fiscal year 2006;

''(F) $1,270,000,000 in each of fiscal years 2007 through 2010; and

''(G) $1,300,000,000 in fiscal year 2011.''.

Subtitle C—Miscellaneous

SEC. 1301. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

(a) IN GENERAL.—Section 401(b)(3) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(3)) is amended—

(1) in subparagraph (C), by striking ''$160,000,000; and'' and inserting ''$104,000,000;'';

(2) by redesignating subparagraph (D) as subparagraph (E);

(3) by inserting after subparagraph (C) the following:

''(D) on October 1, 2006, and each October 1 thereafter through October 1, 2009, $130,000,000; and''; and

(4) in subparagraph (E) (as so redesignated), by striking ''2006'' and inserting ''2010''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on October 1, 2005.

TITLE II—COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Subtitle A—Merger of the Deposit Insurance Funds

SEC. 2001. SHORT TITLE.

This subtitle may be cited as the ''Safe and Fair Deposit Insurance Act of 2005''.

SEC. 2002. DEFINITIONS.

In this subtitle—

(1) the term ''Administration'' means the National Credit Union Administration;

(2) the term ''Board'' means the Board of Directors of the Federal Deposit Insurance Corporation (other than in connection with the National Credit Union Administration Board);

(3) the term ''Corporation'' means the Federal Deposit Insurance Corporation;

(4) the term ''designated reserve ratio'' means the reserve ratio designated by the Board under section 7(b)(3) of the Federal Deposit Insurance Act, as amended by this subtitle;

(5) the terms ''Fund'' and ''Deposit Insurance Fund'' mean the Deposit Insurance Fund established under section 11(a)(4) of the Federal Deposit Insurance Act, as amended by this subtitle;

(6) the terms ''depository institution'' and ''insured depository institution'' have the same meanings as in section 3 of the Federal Deposit Insurance Act; and

(7) the term ''reserve ratio'' means the ratio of the fund balance of the Deposit Insurance Fund to aggregate estimated insured deposits held in all insured depository institutions.

SEC. 2003. MERGER OF BIF AND SAIF.

(a) IN GENERAL.—

(1) MERGER.—The Bank Insurance Fund and the Savings Association Insurance Fund shall be merged into the Deposit Insurance Fund.

(2) DISPOSITION OF ASSETS AND LIABILITIES.—All assets and liabilities of the Bank Insurance Fund and the Savings Association Insurance Fund shall be transferred to the Deposit Insurance Fund.

(3) NO SEPARATE EXISTENCE.—The separate existence of the Bank Insurance Fund and the Savings Association Insurance Fund shall cease on the effective date of the merger thereof under this section.

(b) REPEAL OF OUTDATED MERGER PROVISION.—Section 2704 of the Deposit Insurance Funds Act of 1996 (12 U.S.C. 1821 note) is repealed.

SEC. 2004. ESTABLISHMENT OF THE DEPOSIT INSURANCE FUND.

(a) IN GENERAL.—Section 11(a)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(4)) is amended—

(1) by redesignating subparagraph (B) as subparagraph (C);

(2) by striking subparagraph (A) and inserting the following:

''(A) ESTABLISHMENT.—There is established the Deposit Insurance Fund, which the Corporation shall—

''(i) maintain and administer;

''(ii) use to carry out its insurance purposes, in the manner provided by this subsection; and

''(iii) invest in accordance with section 13(a).

''(B) USES.—The Deposit Insurance Fund shall be available to the Corporation for use with respect to Deposit Insurance Fund members.'';

(3) by striking ''(4) GENERAL PROVISIONS RELATING TO FUNDS.—'' and inserting the following:

''(4) ESTABLISHMENT OF THE DEPOSIT INSURANCE FUND.—'';

(4) in subparagraph (C), as redesignated by paragraph (1) of this subsection, by striking ''Bank Insurance Fund and the Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund''; and

(5) by adding at the end the following:

''(D) DEPOSITS.—All amounts assessed against insured depository institutions by the Corporation shall be deposited in the Deposit Insurance Fund.''.

(b) MERGER-RELATED AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT.—

(1) DEFINITIONS.—Section 3(y) of the Federal Deposit Insurance Act (12 U.S.C. 1813(y)) is amended to read as follows:

''(y) DEFINITIONS RELATING TO THE DEPOSIT INSURANCE FUND.—

''(1) DEPOSIT INSURANCE FUND.—The terms 'Deposit Insurance Fund' and 'Fund' mean the fund established under section 11(a)(4).''.

(2) ASSESSMENTS.—Section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817) is amended—

(A) by striking subsection (l);

(B) by redesignating subsections (m) and (n) as subsections (l) and (m), respectively; and

(C) in subsection (b), by striking paragraph (2) and inserting the following:

''(2) ASSESSMENTS.—

''(A) IN GENERAL.—Each insured depository institution shall pay assessments to the Corporation in such amounts and at such time or times as the Board of Directors may require.

''(B) FACTORS TO BE CONSIDERED.—In setting assessments for insured depository institutions, the Board of Directors shall consider—

''(i) the estimated operating expenses of the Deposit Insurance Fund;

''(ii) the estimated case resolution expenditures and income of the Deposit Insurance Fund;

''(iii) the projected effects of assessments on the earnings and capital of insured depository institutions;

''(iv) the need to maintain a risk-based assessment system under paragraph (1); and

''(v) any other factors that the Board of Directors may determine to be appropriate.

''(C) NOTICE OF ASSESSMENTS.—The Corporation shall notify each insured depository institution of assessments charged to that institution.

''(D) NEWLY INSURED INSTITUTIONS.—To facilitate the administration of this section, the Board of Directors may waive the requirements of subsection (c)(1) and subparagraph (A) of this paragraph for any assessment period in which a depository institution becomes insured.''.

(3) REPEAL OF SEPARATE FUNDS PROVISIONS.—Section 11(a) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)) is amended—

(A) by striking paragraphs (5), (6), and (7); and

(B) by redesignating paragraph (8) as paragraph (5).

SEC. 2005. TECHNICAL AND CONFORMING AMENDMENTS TO THE FEDERAL DEPOSIT INSURANCE ACT.

(a) IN GENERAL.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(1) in section 3(a)(1) (12 U.S.C. 1813(a)(1)), by striking subparagraph (B) and inserting the following:

''(B) includes any former savings association.'';

(2) in section 5(b)(5) (12 U.S.C. 1815(b)(5)), by striking ''the Bank Insurance Fund or the Savings Association Insurance Fund;'' and inserting ''the Deposit Insurance Fund,'';

(3) in section 5(c)(4), by striking ''deposit insurance fund'' and inserting ''Deposit Insurance Fund'';

(4) in section 5(d) (12 U.S.C. 1815(d)), by striking paragraphs (2) and (3);

(5) in section 5(d)(1) (12 U.S.C. 1815(d)(1))—

(A) in subparagraph (A), by striking ''reserve ratios in the Bank Insurance Fund and the Savings Association Insurance Fund as required by section 7'' and inserting ''the reserve ratio of the Deposit Insurance Fund'';

(B) by striking subparagraph (B) and inserting the following:

''(2) FEE CREDITED TO THE DEPOSIT INSURANCE FUND.—The fee paid by the depository institution under paragraph (1) shall be credited to the Deposit Insurance Fund.'';

(C) by striking ''UNINSURED INSTITUTIONS.—'' and all that follows through ''GENERAL.—'' and inserting ''UNINSURED INSTITUTIONS.—''; and

(D) by redesignating subparagraph (C) as paragraph (3) and moving the margin 2 ems to the left;

(6) in section 5(e) (12 U.S.C. 1815(e))—

(A) in paragraph (5)(A), by striking ''Bank Insurance Fund or the Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(B) by striking paragraph (6); and

(C) by redesignating paragraphs (7), (8), and (9) as paragraphs (6), (7), and (8), respectively;

(7) in section 6(5) (12 U.S.C. 1816(5)), by striking ''Bank Insurance Fund or the Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(8) in section 7(a)(3) (12 U.S.C. 1817(a)(3))—

(A) by striking ''in July''; and

(B) by striking ''in January'';

(9) in section 7(b) (12 U.S.C. 1817(b))—

(A) in paragraph (1)—

(i) in subparagraph (B)(ii), by striking ''institution's semiannual assessment'' and inserting ''assessments for that institution under subsection (b)''; and

(ii) in subparagraph (C)—

(I) by striking ''a depository institution's semiannual assessment'' and inserting ''assessments for a depository institution under subsection (b)''; and

(II) by striking ''deposit insurance fund'' each place that term appears and inserting ''Deposit Insurance Fund'';

(B) in paragraph (1)(D), by striking ''each deposit insurance fund'' and inserting ''the Deposit Insurance Fund'';

(C) by striking paragraph (4) and redesignating paragraphs (5) through (7) as paragraphs (4) through (6), respectively;

(D) in paragraph (5), as so redesignated—

(i) by striking ''any such assessment'' and inserting ''any such assessment is necessary'';

(ii) by striking subparagraph (B);

(iii) in subparagraph (A)—

(I) by striking ''(A) is necessary—'';

(II) by striking ''Bank Insurance Fund members'' and inserting ''insured depository institutions''; and

(III) by redesignating clauses (i), (ii), and (iii) as subparagraphs (A), (B), and (C), respectively, and moving the margins 2 ems to the left; and

(iv) in subparagraph (C) (as redesignated)—

(I) by inserting ''that'' before ''the Corporation''; and

(II) by striking ''; and'' and inserting a period; and

(E) in paragraph (6), as so redesignated, by striking ''semiannual assessment'' and inserting ''assessment under subsection (b)'';

(10) in section 7(c) (12 U.S.C. 1817(c))—

(A) in paragraph (1), by striking ''institution's semiannual assessment'' and inserting ''assessments for that institution under subsection (b)'';

(B) by striking paragraphs (2) and (3); and

(C) by redesignating paragraph (4) as paragraph (2);

(11) in section 7(j)(7)(F) (12 U.S.C. 1817(j)(7)(F)), by striking ''Bank Insurance Fund or the Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(12) in section 8 (12 U.S.C. 1818)—

(A) in subsection (p), by striking ''semiannual'';

(B) in subsection (q), by striking ''semiannual'' and inserting ''assessment''; and

(C) in subsection (t)(2)(C), by striking ''deposit insurance fund'' and inserting ''Deposit Insurance Fund'';

(13) in section 11 (12 U.S.C. 1821), by striking ''deposit insurance fund'' each place that term appears and inserting ''Deposit Insurance Fund'';

(14) in section 11(f)(1) (12 U.S.C. 1821(f)(1)), by striking '', except that—'' and all that follows through the end of the paragraph and inserting a period;

(15) in section 11(i)(3) (12 U.S.C. 1821(i)(3))—

(A) by striking subparagraph (B);

(B) by redesignating subparagraph (C) as subparagraph (B); and

(C) in subparagraph (B) (as redesignated), by striking ''subparagraphs (A) and (B)'' and inserting ''subparagraph (A)'';

(16) in section 11(p)(2)(B) (12 U.S.C. 1821(p)(2)(B)), by striking ''institution, any'' and inserting ''institution, the'';

(17) in section 12(f)(4)(E)(iv) (12 U.S.C. 1822(f)(4)(E)(iv)), by striking ''Federal deposit insurance funds'' and inserting ''the Deposit Insurance Fund, or any predecessor deposit insurance fund'';

(18) in section 13 (12 U.S.C. 1823)—

(A) by striking ''deposit insurance fund'' each place that term appears and inserting ''Deposit Insurance Fund'';

(B) in subsection (a)(1), by striking ''Bank Insurance Fund, the Savings Association Insurance Fund,'' and inserting ''Deposit Insurance Fund'';

(C) in subsection (c)(4)(E)—

(i) in the subparagraph heading, by striking ''FUNDS'' and inserting ''FUND''; and

(ii) in clause (i), by striking ''any insurance fund'' and inserting ''the Deposit Insurance Fund'';

(D) in subsection (c)(4)(G)(ii)—

(i) by striking ''appropriate insurance fund'' and inserting ''Deposit Insurance Fund'';

(ii) by striking ''the members of the insurance fund (of which such institution is a member)'' and inserting ''insured depository institutions'';

(iii) by striking ''each member's'' and inserting ''each insured depository institution's'';

(iv) by striking ''the member's'' each place that term appears and inserting ''the institution's''; and

(v) in subclause (II), by striking ''semiannual'' and inserting ''applicable assessment'';

(E) in subsection (c), by striking paragraph (11);

(F) in subsection (h), by striking ''Bank Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(G) in subsection (k)(4)(B)(i), by striking ''Savings Association Insurance Fund member'' and inserting ''savings association''; and

(H) in subsection (k)(5)—

(i) in subparagraph (A), by striking ''Savings Association Insurance Fund members'' and inserting ''savings associations'';

(ii) by striking ''member's'' each place that term appears and inserting ''savings association's''; and

(iii) by striking ''member'' each place that term appears and inserting ''savings association'';

(19) in section 14(a) (12 U.S.C. 1824(a)), in the 5th sentence—

(A) by striking ''Bank Insurance Fund or the Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund''; and

(B) by striking ''each such fund'' and inserting ''the Deposit Insurance Fund'';

(20) in section 14(b) (12 U.S.C. 1824(b)), by striking ''Bank Insurance Fund or Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(21) in section 14(c) (12 U.S.C. 1824(c))—

(A) in paragraph (2)(A), by striking ''(7)'' and inserting ''(6)''; and

(B) by striking paragraph (3);

(22) in section 14(d) (12 U.S.C. 1824(d))—

(A) by striking ''Bank Insurance Fund member'' each place that term appears and inserting ''insured depository institution'';

(B) by striking ''Bank Insurance Fund members'' each place that term appears and inserting ''insured depository institutions'';

(C) by striking ''Bank Insurance Fund'' each place that term appears (other than in connection with a reference to a Bank Insurance Fund member or members) and inserting ''Deposit Insurance Fund'';

(D) by striking the subsection heading and inserting the following:

''(d) BORROWING FOR THE DEPOSIT INSURANCE FUND FROM INSURED DEPOSITORY INSTITUTIONS.—'';

(E) in paragraph (3), in the paragraph heading, by striking ''BIF'' and inserting ''THE DEPOSIT INSURANCE FUND''; and

(F) in paragraph (5), in the paragraph heading, by striking ''BIF MEMBERS'' and inserting ''INSURED DEPOSITORY INSTITUTIONS'';

(23) in section 14 (12 U.S.C. 1824), by adding at the end the following:

''(e) BORROWING FOR THE DEPOSIT INSURANCE FUND FROM FEDERAL HOME LOAN BANKS.—

''(1) IN GENERAL.—The Corporation may borrow from the Federal home loan banks, with the concurrence of the Federal Housing Finance Board, such funds as the Corporation considers necessary for the use of the Deposit Insurance Fund.

''(2) TERMS AND CONDITIONS.—Any loan from any Federal home loan bank under paragraph (1) to the Deposit Insurance Fund shall—

''(A) bear a rate of interest of not less than the current marginal cost of funds to that bank, taking into account the maturities involved;

''(B) be adequately secured, as determined by the Federal Housing Finance Board; and

''(C) be a direct liability of the Deposit Insurance Fund.'';

(24) in section 15(c)(5) (12 U.S.C. 1825(c)(5))—

(A) by striking ''the Bank Insurance Fund or Savings Association Insurance Fund, respectively'' each place that term appears and inserting ''the Deposit Insurance Fund''; and

(B) in subparagraph (B), by striking ''the Bank Insurance Fund or the Savings Association Insurance Fund, respectively'' and inserting ''the Deposit Insurance Fund'';

(25) in section 17(a) (12 U.S.C. 1827(a))—

(A) in the subsection heading, by striking ''BIF, SAIF,'' and inserting ''THE DEPOSIT INSURANCE FUND''; and

(B) in paragraph (1)—

(i) by striking ''the Bank Insurance Fund, the Savings Association Insurance Fund,'' each place that term appears and inserting ''the Deposit Insurance Fund''; and

(ii) in subparagraph (D), by striking ''each insurance fund'' and inserting ''the Fund'';

(26) in section 17(d) (12 U.S.C. 1827(d)), by striking '', the Bank Insurance Fund, the Savings Association Insurance Fund,'' each place that term appears and inserting ''the Deposit Insurance Fund'';

(27) in section 18(m) (12 U.S.C. 1828(m))—

(A) in paragraph (2), in the matter preceding subparagraph (A), by striking the colon and inserting a dash;

(B) in paragraph (3)(A)—

(i) by striking ''poses a serious threat to the Savings Association Insurance Fund'' and inserting ''of an insured savings association poses a serious threat to the Deposit Insurance Fund''; and

(ii) by striking ''Savings Association Insurance Fund member'' and inserting ''insured savings association''; and

(C) in paragraph (3)(C), by striking ''Savings Association Insurance Fund or the Bank Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(28) in section 18(o) (12 U.S.C. 1828(o)), by striking ''deposit insurance funds'' and ''deposit insurance fund'' each place those terms appear and inserting ''Deposit Insurance Fund'';

(29) in section 18(p) (12 U.S.C. 1828(p)), by striking ''deposit insurance funds'' and inserting ''Deposit Insurance Fund'';

(30) in section 24 (12 U.S.C. 1831a)—

(A) in subsections (a)(1) and (d)(1)(A), by striking ''appropriate deposit insurance fund'' each place that term appears and inserting ''Deposit Insurance Fund'';

(B) in subsection (e)(2)(A), by striking ''risk to'' and all that follows through the period and inserting ''risk to the Deposit Insurance Fund.''; and

(C) in subsections (e)(2)(B)(ii) and (f)(6)(B), by striking ''the insurance fund of which such bank is a member'' each place that term appears and inserting ''the Deposit Insurance Fund'';

(31) in section 28 (12 U.S.C. 1831e), by striking ''affected deposit insurance fund'' each place that term appears and inserting ''Deposit Insurance Fund'';

(32) by striking section 31 (12 U.S.C. 1831h);

(33) in section 36(i)(3) (12 U.S.C. 1831m(i)(3)), by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund'';

(34) in section 37(a)(1)(C) (12 U.S.C. 1831n(a)(1)(C)), by striking ''insurance funds'' and inserting ''Deposit Insurance Fund'';

(35) in section 38 (12 U.S.C. 1831o), by striking ''the deposit insurance fund'' each place that term appears and inserting ''the Deposit Insurance Fund'';

(36) in section 38(a) (12 U.S.C. 1831o(a)), in the subsection heading, by striking ''FUNDS'' and inserting ''FUND'';

(37) in section 38(k) (12 U.S.C. 1831o(k))—

(A) in paragraph (1), by striking ''a deposit insurance fund'' and inserting ''the Deposit Insurance Fund'';

(B) in paragraph (2), by striking ''A deposit insurance fund'' and inserting ''The Deposit Insurance Fund''; and

(C) in paragraphs (2)(A) and (3)(B), by striking ''the deposit insurance fund's outlays'' each place that term appears and inserting ''the outlays of the Deposit Insurance Fund''; and

(38) in section 38(o) (12 U.S.C. 1831o(o))—

(A) by striking ''ASSOCIATIONS.—'' and all that follows through ''Subsections (e)(2)'' in paragraph (2) and inserting ''ASSOCIATIONS.—Subsections (e)(2)'';

(B) by redesignating subparagraphs (A), (B), and (C) as paragraphs (1), (2), and (3), respectively, and moving the margins 2 ems to the left; and

(C) in paragraph (1) (as so redesignated), by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively, and moving the margins 2 ems to the left.

(b) CONFORMING TRANSFER OF FUNDS.—Any funds resulting from the application of section 7(d)(2) of the Federal Deposit Insurance Act prior to its repeal under subsection (a)(4) of this section shall be deposited into the general fund of the Deposit Insurance Fund established pursuant to this subtitle.

SEC. 2006. OTHER TECHNICAL AND CONFORMING AMENDMENTS.

(a) SECTION 5136 OF THE REVISED STATUTES.—The paragraph designated the ''Eleventh'' of section 5136 of the Revised Statutes of the United States (12 U.S.C. 24) is amended in the 5th sentence, by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund''.

(b) INVESTMENTS PROMOTING PUBLIC WELFARE; LIMITATIONS ON AGGREGATE INVESTMENTS.—The 23d undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 338a) is amended in the 4th sentence, by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund''.

(c) ADVANCES TO CRITICALLY UNDERCAPITALIZED DEPOSITORY INSTITUTIONS.—Section 10B(b)(3)(A)(ii) of the Federal Reserve Act (12 U.S.C. 347b(b)(3)(A)(ii)) is amended by striking ''any deposit insurance fund in'' and inserting ''the Deposit Insurance Fund of''.

(d) AMENDMENTS TO THE FEDERAL HOME LOAN BANK ACT.—The Federal Home Loan Bank Act (12 U.S.C. 1421 et seq.) is amended—

(1) in section 11(k) (12 U.S.C. 1431(k))—

(A) in the subsection heading, by striking ''SAIF'' and inserting ''THE DEPOSIT INSURANCE FUND''; and

(B) by striking ''Savings Association Insurance Fund'' each place that term appears and inserting ''Deposit Insurance Fund'';

(2) in section 21 (12 U.S.C. 1441)—

(A) in subsection (f)(2), by striking '', except that'' and all that follows through the end of the paragraph and inserting a period; and

(B) in subsection (k), by striking paragraph (4);

(3) in section 21A(b)(4)(B) (12 U.S.C. 1441a(b)(4)(B)), by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund''; and

(4) in section 21B(k) (12 U.S.C. 1441b(k)) by inserting before the colon '', the following definitions shall apply''.

(e) AMENDMENTS TO THE HOME OWNERS' LOAN ACT.—The Home Owners' Loan Act (12 U.S.C. 1461 et seq.) is amended—

(1) in section 5 (12 U.S.C. 1464)—

(A) in subsection (c)(6), by striking ''As used in this subsection—'' and inserting ''For purposes of this subsection, the following definitions shall apply:'';

(B) in subsection (o)(1), by striking ''that is a Bank Insurance Fund member'';

(C) in subsection (o)(2)(A), by striking ''a Bank Insurance Fund member until such time as it changes its status to a Savings Association Insurance Fund member'' and inserting ''insured by the Deposit Insurance Fund'';

(D) in subsection (t)(5)(D)(iii)(II), by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund'';

(E) in subsection (t)(7)(C)(i)(I), by striking ''affected deposit insurance fund'' and inserting ''Deposit Insurance Fund''; and

(F) in subsection (v)(2)(A)(i), by striking ''the Savings Association Insurance Fund'' and inserting ''or the Deposit Insurance Fund''; and

(2) in section 10 (12 U.S.C. 1467a)—

(A) in subsection (c)(6)(D), by striking ''this title'' and inserting ''this Act'';

(B) in subsection (e)(1)(B), by striking ''Savings Association Insurance Fund or Bank Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(C) in subsection (e)(2), by striking ''Savings Association Insurance Fund or the Bank Insurance Fund'' and inserting ''Deposit Insurance Fund'';

(D) in subsection (e)(4)(B), by striking ''subsection (1)'' and inserting ''subsection (l)'';

(E) in subsection (g)(3)(A), by striking ''(5) of this section'' and inserting ''(5) of this subsection'';

(F) in subsection (i), by redesignating paragraph (5) as paragraph (4);

(G) in subsection (m)(3), by striking subparagraph (E), and by redesignating subparagraphs (F), (G), and (H) as subparagraphs (E), (F), and (G), respectively;

(H) in subsection (m)(7)(A), by striking ''during period'' and inserting ''during the period''; and

(I) in subsection (o)(3)(D), by striking ''sections 5(s) and (t) of this Act'' and inserting ''subsections (s) and (t) of section 5''.

(f) AMENDMENTS TO THE NATIONAL HOUSING ACT.—The National Housing Act (12 U.S.C. 1701 et seq.) is amended—

(1) in section 317(b)(1)(B) (12 U.S.C. 1723i(b)(1)(B)), by striking ''Bank Insurance Fund for banks or through the Savings Association Insurance Fund for savings associations'' and inserting ''Deposit Insurance Fund''; and

(2) in section 536(b)(1)(B)(ii) (12 U.S.C. 1735f–14(b)(1)(B)(ii)), by striking ''Bank Insurance Fund for banks and through the Savings Association Insurance Fund for savings

associations'' and inserting ''Deposit Insurance Fund''.

(g) AMENDMENTS TO THE FINANCIAL INSTITUTIONS REFORM, RECOVERY, AND ENFORCEMENT ACT OF 1989.—The Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (12 U.S.C. 1811 note) is amended—

(1) in section 951(b)(3)(B) (12 U.S.C. 1833a(b)(3)(B)), by striking ''Bank Insurance Fund, the Savings Association Insurance Fund,'' and inserting ''Deposit Insurance Fund (or any predecessor deposit insurance fund)''; and

(2) in section 1112(c)(1)(B) (12 U.S.C. 3341(c)(1)(B)), by striking ''Bank Insurance Fund, the Savings Association Insurance Fund,'' and inserting ''Deposit Insurance Fund''.

(h) AMENDMENT TO THE BANK HOLDING COMPANY ACT OF 1956.—The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended—

(1) in section 2(j)(2) (12 U.S.C. 1841(j)(2)), by striking ''Savings Association Insurance Fund'' and inserting ''Deposit Insurance Fund''; and

(2) in section 3(d)(1)(D)(iii) (12 U.S.C. 1842(d)(1)(D)(iii)), by striking ''appropriate deposit insurance fund'' and inserting ''Deposit Insurance Fund''.

(i) AMENDMENTS TO THE GRAMM-LEACH-BLILEY ACT.—Section 114 of the Gramm-Leach-Bliley Act (12 U.S.C. 1828a) is amended in each of subsection (a)(1)(B), paragraphs (2)(B) and (4)(B) of subsection (b), and subsection (c)(1)(B), by striking ''any Federal deposit insurance fund'' and inserting ''the Deposit Insurance Fund''.

SEC. 2007. EFFECTIVE DATE.

(a) IN GENERAL.—Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle shall become effective not later than the first day of the first calendar quarter that begins more than 90 days after the date of enactment of this Act.

(b) EARLIER IMPLEMENTATION.—

(1) CORPORATION DETERMINATION.—If the Corporation determines that merger of the deposit insurance funds should occur before the first day of the first calendar quarter as described in subsection (a), the Corporation shall—

(A) announce such determination publicly; and

(B) establish the effective date of the merger.

(2) EARLIER EFFECTIVE DATE.—On the date established under paragraph (1)(B), this subtitle and the amendments made by this subtitle shall become effective.

Subtitle B—Deposit Insurance Modernization and Improvement

SEC. 2011. SHORT TITLE.

This subtitle may be cited as the ''Deposit Insurance Reform Act of 2005''.

SEC. 2012. CHANGES TO FEDERAL DEPOSIT INSURANCE COVERAGE.

(a) INSURED DEPOSITORY INSTITUTIONS.—

(1) IN GENERAL.—Section 11(a)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1821(a)(1)) is amended—

(A) by striking subparagraph (B) and inserting the following:

''(B) NET AMOUNT OF INSURED DEPOSITS.—The net amount of deposit insurance payable to any depositor at an insured depository institution shall not exceed the standard maximum deposit insurance amount, as determined in accordance with subparagraphs (C) through (M).''; and

(B) by striking subparagraph (D) and inserting the following:

''(D) COVERAGE FOR CERTAIN EMPLOYEE BENEFIT PLAN DEPOSITS.—

''(i) PASS-THROUGH INSURANCE.—The Corporation shall provide pass-through deposit insurance for the deposits of any employee benefit plan.

''(ii) PROHIBITION ON ACCEPTANCE OF BENEFIT PLAN DEPOSITS.—An insured depository institution that is not well capitalized or adequately capitalized may not accept employee benefit plan deposits.

''(iii) DEFINITIONS.—For purposes of this subparagraph, the following definitions shall apply:

''(I) CAPITAL STANDARDS.—The terms 'well capitalized' and 'adequately capitalized' have the same meanings as in section 38.

''(II) EMPLOYEE BENEFIT PLAN.—The term 'employee benefit plan' has the same meaning as in paragraph (5)(B)(ii), and includes any eligible deferred compensation plan described in section 457 of the Internal Revenue Code of 1986.

''(III) PASS-THROUGH DEPOSIT INSURANCE.—The term 'pass-through deposit insurance' means, with respect to an employee benefit plan, deposit insurance coverage based on the interest of each participant, in accordance with regulations issued by the Corporation.

''(E) STANDARD MAXIMUM DEPOSIT INSURANCE AMOUNT DEFINED.—For purposes of this paragraph, the term 'standard maximum deposit insurance amount' means, until April 1, 2010, $100,000.

''(F) DETERMINATION REGARDING INFLATION ADJUSTMENTS.—

''(i) ADJUSTMENTS TO STANDARD MAXIMUM DEPOSIT INSURANCE AMOUNT.—Not later than April 1, 2010, and the first day of each 5-year period thereafter, the Board of Directors shall determine whether to increase the standard maximum deposit insurance amount based on the factors set forth under subparagraph (G).

''(ii) ADJUSTMENTS FOR CERTAIN RETIREMENT ACCOUNTS.—Not later than April 1, 2010, and the first day of each 5-year period thereafter, the Board of Directors shall determine whether to increase the amount of insurance available for retirement accounts under paragraph (3), based on the factors set forth under subparagraph (G).

''(G) INFLATION ADJUSTMENT CONSIDERATIONS.—In making any determination under subparagraph (F), the Board of Directors shall consider—

''(i) the economic conditions affecting insured depository institutions;

''(ii) the overall risk or risks to the Deposit Insurance Fund;

''(iii) a demonstrated need by depositors for the inflation adjustment increase;

''(iv) the ability of insured depository institutions to identify and obtain alternative funding sources;

''(v) the ability of insured depository institutions to meet the credit needs of their communities;

''(vi) potential problems affecting insured depository institutions generally or a specific group or type of insured depository institutions; and

''(vii) any other factors that the Board of Directors deems appropriate.

''(H) INFLATION ADJUSTMENT CALCULATIONS FOR 2010.—

''(i) CALCULATION FOR STANDARD MAXIMUM DEPOSIT INSURANCE AMOUNT.—The amount provided for any increase in the standard maximum deposit insurance amount shall be, as of April 1, 2010, the product of—

''(I) $100,000; and

''(II) the ratio of the value of the Personal Consumption Expenditures Chain-Type Index (or any successor index thereto), published by the Department of Commerce, for December 31 of the year preceding the year in which the adjustment is calculated under this subparagraph, to the value of such index for December 31 of the year preceding the effective date of the Safe and Fair Deposit Insurance Act of 2005.

''(ii) CALCULATION FOR CERTAIN RETIREMENT ACCOUNTS FOR 2010.—The amount provided for any increase in the insurance for retirement accounts under paragraph (3) shall be, as of April 1, 2010, the product of—

''(I) $250,000; and

''(II) the ratio of the value of the Personal Consumption Expenditures Chain-Type Index (or any successor index thereto), published by the Department of Commerce, for December 31 of the year preceding the year in which the adjustment is calculated under this subparagraph, to the value of such index for December 31 of the year preceding the effective date of the Safe and Fair Deposit Insurance Act of 2005.

''(I) INFLATION ADJUSTMENT CALCULATIONS AFTER 2010.—

''(i) CALCULATION FOR THE STANDARD MAXIMUM DEPOSIT INSURANCE AMOUNT.—The amount provided for any increase in the standard maximum deposit insurance amount shall be, as of the 1st day of each 5-year period beginning on April 1, 2015, the product of—

''(I) the standard maximum deposit insurance amount; and

''(II) the ratio of the value of the Personal Consumption Expenditures Chain-Type Index (or any successor index thereto), published by the Department of Commerce, for December 31 of the year preceding the year in which the adjustment is calculated under this subparagraph, to the value of such index for December 31 of the 6 years prior to the year in which the adjustment is calculated under this subparagraph.

''(ii) CALCULATION FOR CERTAIN RETIREMENT ACCOUNTS.—The amount provided for any increase in the insurance for retirement accounts under paragraph (3) shall be, as of the 1st day of each 5-year period beginning on April 1, 2015, the product of—

''(I) the amount available for retirement accounts under paragraph (3), as adjusted pursuant to subparagraph (H) or this subparagraph, as appropriate; and

''(II) the ratio of the value of the Personal Consumption Expenditures Chain-Type Index (or any successor index thereto), published by the Department of Commerce, for December 31 of the year preceding the year in which the adjustment is calculated under this subparagraph, to the value of such index for December 31 of the 6 years prior to the year in which the adjustment is calculated under this subparagraph.

''(J) DETERMINATION OF NO INFLATION INCREASES.—If the Board cannot support an increase under subparagraph (F) after consideration of the factors in subparagraph (G), no inflation adjustment shall be made until reconsideration at the beginning of the next 5-year period.

''(K) ROUNDING.—If the amount of increase determined for any period is not a multiple of $10,000, the amount so determined shall be rounded to the nearest $10,000.

''(L) PUBLICATION.—Not later than April 1, 2010, and not later than the first day of each 5-year period thereafter, the Board of Directors shall publish in the Federal Register the standard maximum deposit insurance amount and the amount of deposit insurance coverage that may be due to any depositor at any insured depository institution during the applicable 5-year period.

''(M) NO INFLATION ADJUSTMENTS FOR PUBLIC FUNDS.—Subparagraphs (E) through (L) shall not apply to any deposits of depositors described in paragraph (2), and the net amount due to any such depositor at an insured depository institution shall not exceed $100,000.''.

(2) DEPOSIT INSURANCE FOR RETIREMENT ACCOUNTS.—Section 11(a)(3)(A) of the Federal

Deposit Insurance Act (12 U.S.C. 1821(a)(3)(A)) is amended—

(A) by striking ''$100,000'' and inserting ''$250,000''; and

(B) by inserting before the period at the end the following: ''which amount shall be subject to inflation adjustments as provided in paragraph (1).''.

(3) TECHNICAL AND CONFORMING AMENDMENT RELATING TO INSURANCE OF TRUST FUNDS.—Section 7(i) of the Federal Deposit Insurance Act (12 U.S.C. 1817(i)) is amended in each of paragraphs (1) and (3), by striking ''$100,000'' each place it appears and inserting ''the standard maximum deposit insurance amount (as determined under section 11(a)(1))''.

(4) OTHER TECHNICAL AND CONFORMING AMENDMENTS.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(A) in section 11(m)(6) (12 U.S.C. 1821(m)(6)), by striking ''$100,000'' and inserting ''the standard maximum deposit insurance amount (as determined under subsection (a)(1))'';

(B) in section 18 (12 U.S.C. 1828), by striking subsection (a) and inserting the following:

''(a) INSURANCE LOGO.—

''(1) INSURED DEPOSITORY INSTITUTIONS.—

''(A) IN GENERAL.—Each insured depository institution shall display at each place of business maintained by that institution a sign or signs relating to the insurance of the deposits of the institution, in accordance with regulations to be prescribed by the Corporation.

''(B) STATEMENT TO BE INCLUDED.—Each sign required under subparagraph (A) shall include a statement that insured deposits are backed by the full faith and credit of the United States Government.

''(2) REGULATIONS.—The Corporation shall prescribe regulations to carry out this subsection, including regulations governing the substance of signs required by paragraph (1) and the manner of display or use of such signs.

''(3) PENALTIES.—For each day that an insured depository institution continues to violate this subsection or any regulation issued under this subsection, it shall be subject to a penalty of not more than $100, which the Corporation may recover for its use.''; and

(C) in section 43(d) (12 U.S.C. 1831t(d)), by striking ''$100,000'' and inserting ''the standard maximum deposit insurance amount (as determined under section 11(a)(1))''.

(b) INSURED CREDIT UNIONS.—

(1) IN GENERAL.—Section 207(k) of the Federal Credit Union Act (12 U.S.C. 1787(k)) is amended—

(A) by striking ''(k)(1)'' and all that follows through the end of paragraph (1) and inserting the following:

''(k) INSURED AMOUNTS PAYABLE.—

''(1) NET INSURED AMOUNT.—

''(A) IN GENERAL.—Subject to the provisions of paragraph (2), the net amount of share insurance payable to any member at an insured credit union shall not exceed the total amount of the shares or deposits in the name of the member (after deducting offsets), less any part thereof which is in excess of the standard maximum share insurance amount, as determined in accordance with this paragraph and paragraphs (5) and (6), and consistent with actions taken by the Federal Deposit Insurance Corporation under section 11(a) of the Federal Deposit Insurance Act.

''(B) AGGREGATION.—Determination of the net amount of share insurance under subparagraph (A), shall be in accordance with such regulations as the Board may prescribe, and, in determining the amount payable to any member, there shall be added together all accounts in the credit union maintained by that member for that member's own benefit, either in the member's own name or in the names of others.

''(C) AUTHORITY TO DEFINE THE EXTENT OF COVERAGE.—The Board may define, with such classifications and exceptions as it may prescribe, the extent of the share insurance coverage provided for member accounts, including member accounts in the name of a minor, in trust, or in joint tenancy.'';

(B) by adding at the end the following:

''(4) COVERAGE FOR CERTAIN EMPLOYEE BENEFIT PLAN DEPOSITS.—

''(A) PASS-THROUGH INSURANCE.—The Administration shall provide pass-through share insurance for the deposits or shares of any employee benefit plan, subject to subparagraph (B).

''(B) PROHIBITION ON ACCEPTANCE OF DEPOSITS.—An insured credit union that is not well capitalized or adequately capitalized may not accept employee benefit plan deposits.

''(C) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

''(i) CAPITAL STANDARDS.—The terms 'well capitalized' and 'adequately capitalized' have the same meanings as in section 216(c), as added by section 301 of the Credit Union Membership Access Act (Public Law 105–219, 112 Stat. 931).

''(ii) EMPLOYEE BENEFIT PLAN.—The term 'employee benefit plan'—

''(I) has the same meaning as in section 3(3) of the Employee Retirement Income Security Act of 1974;

''(II) includes any plan described in section 401(d) of the Internal Revenue Code of 1986; and

''(III) includes any eligible deferred compensation plan described in section 457 of the Internal Revenue Code of 1986.

''(iii) PASS-THROUGH SHARE INSURANCE.—The term 'pass-through share insurance' means, with respect to an employee benefit plan, insurance coverage based on the interest of each participant, in accordance with regulations issued by the Corporation.

''(5) STANDARD MAXIMUM SHARE INSURANCE AMOUNT DEFINED.—For purposes of this subsection, the term 'standard maximum share insurance amount' means, until April 1, 2010, $100,000.

''(6) DETERMINATIONS REGARDING INFLATION ADJUSTMENTS.—

''(A) ADJUSTMENTS TO STANDARD MAXIMUM SHARE INSURANCE AMOUNT.—Not later than April 1, 2010, and the first day of each 5-year period thereafter, the Board shall determine whether to increase the standard maximum share insurance amount based on the factors set forth under paragraph (7).

''(B) ADJUSTMENT FOR CERTAIN RETIREMENT ACCOUNTS.—Not later than April 1, 2010, and the first day of each 5-year period thereafter, the Board shall determine whether to increase the amount of insurance available for retirement accounts under paragraph (3), based on the factors set forth under paragraph (7).

''(7) INFLATION ADJUSTMENT CONSIDERATIONS.—In making any determination under paragraph (6), the Board shall consider—

''(A) the economic conditions affecting insured credit unions;

''(B) the overall risk or risks to the National Credit Union Share Insurance Fund;

''(C) a demonstrated need by members for the inflation adjustment increase;

''(D) the ability of insured credit unions to identify and obtain alternative funding sources;

''(E) the ability of insured credit unions to meet the credit needs of their communities;

''(F) potential problems affecting insured credit unions generally or a specific group or type of insured credit unions; and

''(G) any other factors that the Board deems appropriate.

''(8) INFLATION ADJUSTMENT CALCULATIONS FOR 2010.—

''(A) CALCULATION FOR STANDARD MAXIMUM SHARE INSURANCE AMOUNT.—The amount provided for any increase in the standard maximum share insurance amount shall be, as of April 1, 2010, the product of—

''(i) $100,000; and

''(ii) the ratio of the value of the Personal Consumption Expenditures Chain-Type Index (or any successor index thereto), published by the Department of Commerce, for December 31 of the year preceding the year in which the adjustment is calculated under this paragraph, to the value of such index for December 31 of the year preceding the effective date of the Safe and Fair Deposit Insurance Act of 2005.

''(B) CALCULATION FOR CERTAIN RETIREMENT ACCOUNTS FOR 2010.—The amount provided for any increase in the insurance for retirement accounts under paragraph (3) shall be, as of April 1, 2010, the product of—

''(i) $250,000; and

''(ii) the ratio of the value of the Personal Consumption Expenditures Chain-Type Index (or any successor index thereto), published by the Department of Commerce, for December 31 of the year preceding the year in which the adjustment is calculated under this paragraph, to the value of such index for December 31 of the year preceding the effective date of the Safe and Fair Deposit Insurance Act of 2005.

''(9) INFLATION ADJUSTMENT CALCULATIONS AFTER 2010.—

''(A) CALCULATION FOR THE STANDARD MAXIMUM SHARE INSURANCE AMOUNT.—The amount provided for any increase in the standard maximum share insurance amount shall be, as of the 1st day of each 5-year period beginning on April 1, 2015, the product of—

''(i) the standard maximum share insurance amount; and

''(ii) the ratio of the value of the Personal Consumption Expenditures Chain-Type Index (or any successor index thereto), published by the Department of Commerce, for December 31 of the year preceding the year in which the adjustment is calculated under this paragraph, to the value of such index for December 31 of the 6 years prior to the year in which the adjustment is calculated under this paragraph.

''(B) CALCULATION FOR CERTAIN RETIREMENT ACCOUNTS.—The amount provided for any increase in the insurance for retirement accounts under paragraph (3) shall be, as of the 1st day of each 5-year period beginning on April 1, 2015, the product of—

''(i) the amount available for retirement accounts under paragraph (3), as adjusted pursuant to paragraph (8) or this paragraph, as appropriate; and

''(ii) the ratio of the value of the Personal Consumption Expenditures Chain-Type Index (or any successor index thereto), published by the Department of Commerce, for December 31 of the year preceding the year in which the adjustment is calculated under this paragraph, to the value of such index for December 31 of the 6 years prior to the year in which the adjustment is calculated under this paragraph.

''(10) DETERMINATION OF NO INFLATION INCREASE.—If the Board cannot support an increase under paragraph (6) after consideration of the factors in paragraph (7), no inflation adjustment shall be made until reconsideration at the beginning of the next 5-year period.

''(11) ROUNDING.—If the amount of increase determined for any period is not a multiple of $10,000, the amount so determined shall be rounded to the nearest $10,000.

''(12) PUBLICATION.—Not later than April 1, 2010, and not later than the first day of each 5-year period thereafter, the Board shall publish in the Federal Register the standard maximum share insurance amount and the amount of share insurance coverage that may be due to any depositor at any insured credit union during the applicable 5-year period.

''(13) NO INFLATION ADJUSTMENTS FOR PUBLIC FUNDS.—Paragraphs (5) through (12) shall not apply to any deposits of depositors described in paragraph (2), and the net amount due to any such depositor at an insured credit union shall not exceed $100,000.''; and

(C) in paragraph (3), by striking ''$100,000 per account'' and inserting the following: ''$250,000 per account, which amount shall be subject to inflation adjustments as provided in paragraphs (6) through (12).''.

(2) TECHNICAL AMENDMENT.—Section 202(h) of the Federal Credit Union Act (12 U.S.C. 1782(h)) is amended by striking ''207(c)(1)'' and inserting ''207(k)''.

(c) EFFECTIVE DATE.—Except as otherwise specifically provided in this section or the amendments made by this section, this section and such amendments shall become effective on the effective date of the regulations required under section 2017(a)(2), relating to the implementation of deposit insurance changes under this section.

SEC. 2013. DESIGNATED RESERVE RATIO.

(a) REPEAL OF RECAPITALIZATION SCHEDULE.—

(1) IN GENERAL.—Section 7(b)(3) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(3)) is amended to read as follows:

''(3) DESIGNATED RESERVE RATIO.—

''(A) ACTION BY THE BOARD.—

''(i) IN GENERAL.—Before the beginning of each calendar year, the Board of Directors shall, subject to clause (ii)—

''(I) designate the reserve ratio applicable to the Deposit Insurance Fund for that year; and

''(II) publish the reserve ratio so designated.

''(ii) RULEMAKING.—Any change to the designated reserve ratio for any calendar year shall be made pursuant to section 553 of title 5, United States Code.

''(B) RANGE.—The reserve ratio designated by the Board of Directors for any year—

''(i) may not exceed 1.50 percent; and

''(ii) may not be less than 1.15 percent.

''(C) FACTORS.—In designating a reserve ratio for any year, the Board of Directors shall—

''(i) take into account the risk of losses to the Deposit Insurance Fund in that year and in future years;

''(ii) take into account economic conditions generally affecting insured depository institutions, to provide for an increase in the designated reserve ratio during more favorable economic conditions and to provide for a decrease in the designated reserve ratio during less favorable economic conditions, notwithstanding the increased risks of loss that may exist during such less favorable conditions, as determined to be appropriate by the Board;

''(iii) seek to prevent sharp swings in the assessment rates for insured depository institutions; and

''(iv) take into account such other factors as the Board of Directors may determine to be appropriate, consistent with the requirements of this subparagraph.''.

(2) TECHNICAL AND CONFORMING AMENDMENTS.—Section 3(y) of the Federal Deposit Insurance Act (12 U.S.C. 1813), as amended by this title, is amended by adding at the end the following:

''(2) RESERVE RATIO.—The term 'reserve ratio' means the ratio of the fund balance of the Deposit Insurance Fund to aggregate estimated insured deposits held in all insured depository institutions.

''(3) DESIGNATED RESERVE RATIO.—The term 'designated reserve ratio' means the reserve ratio designated by the Board of Directors under section 7(b)(3).''.

(3) EFFECTIVE DATE.—Subject to paragraph (4), and except as otherwise provided, this subsection and the amendments made by this subsection shall become effective on the effective date of the regulations required under section 2017(a)(1), relating to designation of the reserve ratio by the Board.

(4) DESIGNATION OF INITIAL RESERVE RATIO FOR DEPOSIT INSURANCE FUND.—During the period beginning on the effective date of the merger of the deposit insurance funds under section 2003, and ending on the effective date of final regulations designating the reserve ratio, as required by section 2017(a)(1), the designated reserve ratio of the Deposit Insurance Fund shall continue to be determined pursuant to section 7(b)(2)(A)(iv), as in effect on the day before the effective date of the merger under section 2003.

(b) REQUIREMENTS APPLICABLE TO ANY MODIFICATION OF THE RISK-BASED ASSESSMENT SYSTEM.—Section 7(b)(1) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(1)) is amended by adding at the end the following:

''(E) REQUIREMENTS APPLICABLE TO ANY MODIFICATION OF THE RISK-BASED ASSESSMENT SYSTEM.—

''(i) IN GENERAL.—In revising or modifying the risk-based assessment system at any time after the date of enactment of the Deposit Insurance Reform Act of 2005, the Board of Directors—

''(I) may not make any change to the information collected from or required to be retained by insured depository institutions solely for purposes of the assessment risk classification, as defined by regulations of the Board, if the change would result in the imposition of an overall greater regulatory or reporting burden on insured depository institutions than was the case before that date of enactment; and

''(II) may implement any such revision or modification in final form only after notice and opportunity for comment.

''(ii) RULE OF CONSTRUCTION.—An increase in an assessment rate or a revision of the assessment base shall not be considered to be a revision or modification resulting in greater regulatory or reporting burden for purposes of this subparagraph.''.

SEC. 2014. ASSESSMENT CREDITS AND DIVIDENDS.

(a) IN GENERAL.—Section 7(e)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1817(e)(2)) is amended to read as follows:

''(2) ONE-TIME CREDIT BASED ON TOTAL ASSESSMENT BASE AT YEAR-END 1996.—

''(A) IN GENERAL.—The Board of Directors shall, by regulation, provide for a credit to each insured depository institution that was in existence on December 31, 1996, and that had paid a deposit insurance assessment prior to that date (or a successor insured depository institution), based on the assessment base of the institution on that date, as compared to the combined aggregate assessment base of all such institutions, taking into account such factors as the Board may determine to be appropriate.

''(B) CREDIT LIMIT.—The aggregate amount of credits available under subparagraph (A) to all insured depository institutions that are eligible for the credit shall not exceed the amount that the Corporation could collect if it imposed an assessment of 9 basis points on the combined assessment base of the Bank Insurance Fund and the Savings Association Insurance Fund as of December 31, 2001.

''(C) DEFINITION OF SUCCESSOR.—The Corporation shall define the term 'successor' for purposes of this paragraph, by regulation, and may consider, among other factors and as the Board may deem appropriate, whether and to what extent, if any, an insured depository institution that acquires deposits from another insured depository institution may deemed to be a successor.

''(D) APPLICATION OF CREDITS.—The amount of a credit to any insured depository institution under this paragraph may be applied by the Corporation to those portions of the assessments under subsection (b) applicable to that institution which become due for assessment periods beginning after the effective date of regulations required by subparagraph (A).''.

(b) AMENDMENTS TO SECTION 7.—Section 7(e) of the Federal Deposit Insurance Act (12 U.S.C. 1817(e)) is amended by adding at the end the following new paragraphs:

''(3) DIVIDENDS.—

''(A) RESERVE RATIO IN EXCESS OF 1.50 PERCENT OF ESTIMATED INSURED DEPOSITS.—The Corporation shall provide cash dividends to insured depository institutions in accordance with this paragraph if the reserve ratio of the Deposit Insurance Fund exceeds the maximum amount established under subsection (b)(3)(B)(i), to the extent of that excess amount.

''(B) AMOUNT EQUAL TO OR IN EXCESS OF 1.40 PERCENT OF ESTIMATED INSURED DEPOSITS AND NOT MORE THAN 1.50 PERCENT.—The Corporation shall provide cash dividends to insured depository institutions in accordance with this paragraph if the reserve ratio of the Deposit Insurance Fund equals or exceeds 1.40 and is not more than 1.50 percent, and that amount shall equal 50 percent of the amount in excess of the amount required to maintain the reserve ratio at 1.40 percent of the estimated insured deposits.

''(C) FACTORS FOR CONSIDERATION FOR ALLOCATION OF DIVIDENDS.—In implementing the provisions of this paragraph, and in accordance with its regulations, the Corporation shall consider—

''(i) the ratio of the assessment base of an insured depository institution (including any predecessor institution) on December 31, 1996, to the assessment base of all eligible insured depository institutions on such date;

''(ii) the total amount of assessments paid on or after January 1, 1997, by an insured depository institution (including any predecessor institution) to the Deposit Insurance Fund (and any predecessor deposit insurance fund);

''(iii) that portion of assessments paid by an insured depository institution (including any predecessor institution) that reflects higher levels of risk assumed by such institution; and

''(iv) such other factors as the Corporation determines appropriate.

''(D) LIMITATION.—The Board of Directors may suspend or limit dividends paid under subparagraph (B) if the Board determines in writing that—

''(i) a significant risk of losses to the Deposit Insurance Fund exists over the next one-year period; and

''(ii) it is likely that such losses will be sufficiently high as to justify a finding by the Board that the reserve ratio should temporarily be allowed—

''(I) to grow without requiring dividends under subparagraph (B); or

''(II) to exceed the maximum amount established under subsection (b)(3)(B)(i).

''(E) CONSIDERATIONS.—In making a determination under subparagraph (D), the Board shall consider—

''(i) national and regional conditions and their impact on insured depository institutions;

''(ii) potential problems affecting insured depository institutions or a specific group or type of depository institution;

''(iii) the degree to which the contingent liability of the Corporation for anticipated failures of insured institutions adequately addresses concerns over funding levels in the Deposit Insurance Fund; and

''(iv) any other factors that the Board determines are appropriate.

''(F) REPORT TO CONGRESS.—

''(i) SUBMISSION.—Any determination under subparagraph (D) shall be submitted to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, not later than 270 days after making such determination.

''(ii) CONTENT.—The report submitted under clause (i) shall include—

''(I) a detailed explanation for the determination; and

''(II) a discussion of the factors required to be considered under subparagraph (E).

''(G) REVIEW OF DETERMINATION.—

''(i) ANNUAL REVIEW.—A determination to suspend or limit dividends under subparagraph (D) shall be reviewed by the Board of Directors annually.

''(ii) ACTION BY BOARD.—Based on each annual review under clause (i), the Board of Directors shall either renew or remove a determination to suspend or limit dividends under subparagraph (D), or shall make a new determination in accordance with this paragraph. Unless justified under the terms of the renewal or new determination, the Corporation shall be required to provide cash dividends under subparagraph (A) or (B), as appropriate.

''(4) CHALLENGES TO CREDIT OR DIVIDEND AMOUNTS.—The regulations required under this subsection shall include provisions allowing an insured depository institution a reasonable opportunity to challenge administratively the amount of its credit or dividend under this subsection. The determination of the Corporation of the amount of the credit or dividend following such challenge shall be final, and not subject to judicial review.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on the effective date of the regulations required to be issued under section 2017(a)(3), relating to implementation of the one-time assessment credit.

SEC. 2015. ASSESSMENTS-RELATED RECORDS RETENTION AND STATUTE OF LIMITATIONS.

(a) RECORDS RETENTION.—Paragraph (5) of section 7(b) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)) is amended to read as follows:

''(5) RECORDS TO BE MAINTAINED BY INSURED DEPOSITORY INSTITUTION.—Each insured depository institution shall maintain all records that the Corporation may require for verifying the correctness of the institution's assessments until the later of—

''(A) 3 years from the due date of each assessment payment; or

''(B) the date of the final determination of any dispute between the insured depository institution and the Corporation over the amount of any assessment.''.

(b) STATUTE OF LIMITATIONS FOR ASSESSMENT ACTIONS.—Subsection (g) of section 7 of the Federal Deposit Insurance Act (12 U.S.C. 1817(g)) is amended to read as follows:

''(g) STATUTE OF LIMITATIONS FOR ASSESSMENT ACTIONS.—The Corporation, in any court of competent jurisdiction, shall be entitled to recover from any insured depository institution the amount of any unpaid assessment lawfully payable by such insured depository institution. Notwithstanding any other provision in Federal law, or the law of any State—

''(1) any action by an insured depository institution to recover from the Corporation the overpaid amount of any assessment shall be brought within 3 years after the date the assessment payment was due, subject to the exception in paragraph (5);

''(2) any action by the Corporation to recover from an insured depository institution the underpaid amount of any assessment shall be brought within 3 years after the date the assessment payment was due, subject to the exceptions in paragraphs (3) and (5);

''(3) if an insured depository institution has made a false or fraudulent statement with intent to evade any or all of its assessment, the Corporation shall have until 3 years after the date of discovery of the false or fraudulent statement in which to bring an action to recover the underpaid amount;

''(4) assessment deposit information contained in records no longer required to be maintained pursuant to subsection (b)(5) shall be considered conclusive and not subject to change; and

''(5) any action for the underpaid or overpaid amount of any assessment that became due prior to the effective date of this subsection shall be subject to the statute of limitations for assessments in effect at the time the assessment became due.''.

SEC. 2016. INCREASE IN FEES FOR LATE ASSESSMENT PAYMENTS.

Subsection (h) of section 18 of the Federal Deposit Insurance Act (12 U.S.C. 1828(h)) is amended—

(1) by striking ''Any insured depository institution'' and inserting ''(1) IN GENERAL.—Any insured depository institution'';

(2) in paragraph (1), as redesignated, by striking ''penalty of not more than $100'' and inserting ''penalty in an amount of not more than 1 percent of the amount of the assessment due''; and

(3) by inserting new paragraphs (2) and (3) as follows:

''(2) EXCEPTION FOR SMALL ASSESSMENT AMOUNTS.—Notwithstanding paragraph (1), if the amount of the assessment for an insured depository institution is less than $10,000 at the time such institution fails or refuses to pay the assessment, such institution shall be subject to a penalty of not more than $100 for each day that such violation continues.

''(3) AUTHORITY TO MODIFY OR REMIT PENALTY.—The Corporation, in the sole discretion of the Corporation, may compromise, modify, or remit any penalty which the Corporation may assess or has already assessed under paragraph (1) or (2) upon a finding that good cause prevented the timely payment of an assessment.''.

SEC. 2017. REGULATIONS REQUIRED.

(a) IN GENERAL.—Not later than 270 days after the date of enactment of this Act, the Board shall issue final regulations, in accordance with section 553 of chapter 5 of title 5, United States Code—

(1) designating the reserve ratio for the Deposit Insurance Fund, in accordance with section 7(b)(3) of the Federal Deposit Insurance Act, as amended by section 2013 of this subtitle, which regulations shall become effective not later than 90 days after the date of their publication in final form;

(2) implementing changes in deposit insurance coverage in accordance with the amendments made by section 2012, which regulations shall become effective not later than 90 days after the date of their publication in final form;

(3) implementing the one-time assessment credit to certain insured depository institutions in accordance with section 7(e)(2) of the Federal Deposit Insurance Act, as amended by section 2014 of this subtitle;

(4) establishing the qualifications and procedures under which the Corporation may provide dividends under section 7(e)(3) of the Federal Deposit Insurance Act, as amended by section 2014 of this subtitle; and

(5) providing for assessments under section 7 of the Federal Deposit Insurance Act, as amended by this subtitle, which regulations shall become effective on the effective date of the regulations required by paragraph (3).

(b) SAVINGS CLAUSE.—

(1) IN GENERAL.—

(A) CONTINUATION OF EXISTING ASSESSMENT REGULATIONS.—Nothing in this title or the amendments made by this title shall be construed to affect the authority of the Corporation with regard to the setting or collection of deposit insurance assessments pursuant to any regulations in effect prior to the effective date of any regulations required under subsection (a).

(B) TREATMENT OF DIF MEMBERS UNDER EXISTING REGULATIONS.—Assessment regulations in effect prior to the date of enactment of this title shall be read as applying to members of the Deposit Insurance Fund rather than members of the Bank Insurance Fund or Savings Association Insurance Fund, effective on or after the date on which merger of the deposit insurance funds becomes effective under title I.

(2) SETTING ASSESSMENTS.—Clause (i) of section 7(b)(2)(A) of the Federal Deposit Insurance Act (12 U.S.C. 1817(b)(2)(A)) is amended by striking ''necessary—'' and all that follows through the period at the end and inserting ''necessary.''.

SEC. 2018. STUDIES OF POTENTIAL CHANGES TO THE FEDERAL DEPOSIT INSURANCE SYSTEM.

(a) STUDY AND REPORT BY FDIC AND NCUA.—

(1) STUDY.—The Board of Directors of the Federal Deposit Insurance Corporation and the National Credit Union Administration Board shall each conduct a study of—

(A) the feasibility of increasing the limit on deposit insurance for deposits of municipalities and other units of general local government, and the potential benefits and the potential adverse consequences that may result from any such increase; and

(B) the feasibility of establishing a voluntary deposit insurance system for deposits in excess of the maximum amount of deposit insurance for any depositor, and the potential benefits and the potential adverse consequences that may result from the establishment of any such system.

(2) REPORT.—Not later than 1 year after the date of enactment of this title, the Board of Directors of the Federal Deposit Insurance Corporation and the National Credit Union Administration Board shall each submit a report to the Congress on the study required under paragraph (1), containing the findings and conclusions of the reporting agency, together with such recommendations for legislative or administrative changes as the agency may determine to be appropriate.

(b) STUDY AND REPORT REGARDING APPROPRIATE RESERVE RATIO.—

(1) STUDY.—The Corporation shall conduct a study on the feasibility of using alternatives to estimated insured deposits in calculating the reserve ratio of the Deposit Insurance Fund.

(2) REPORT.—Not later than 1 year after the date of enactment of this title, the Board shall submit a report to Congress on the results of the study required under paragraph (1), together with such recommendations for legislative or administrative actions as may be determined to be appropriate.

SEC. 2019. EFFECTIVE DATE.

Except as otherwise specifically provided in this subtitle, this subtitle and the amendments made by this subtitle shall become effective on the date of enactment of this Act.

Subtitle C—FHA Asset Disposition

SEC. 2021. SHORT TITLE.

This subtitle may be cited as the ''FHA Asset Disposition Act of 2005''.

SEC. 2022. DEFINITIONS.

For purposes of this subtitle—

(1) the term ''affordability requirement'' means any requirement or restriction imposed by the Secretary, at the time of sale, on any multifamily real property or multifamily loan, including a use restriction, rent restriction, or rehabilitation requirement;

(2) the term ''discount sale'' means the sale of multifamily real property in a transaction, including a negotiated sale, in which the sale price is—

(A) lower than the property market value; and

(B) set outside of a competitive bidding process that has no affordability requirements;

(3) the term ''discount loan sale'' means the sale of a multifamily loan in a transaction, including a negotiated sale, in which the sale price is lower than the loan market value and is set outside of a competitive bidding process that has no affordability requirements;

(4) the term ''loan market value'' means the value of a multifamily loan, without taking into account any affordability requirements;

(5) the term ''multifamily real property'' means any rental or cooperative housing project of 5 or more units owned by the Secretary that prior to acquisition by the Secretary was security for a loan or loans insured under title II of the National Housing Act;

(6) the term ''multifamily loan'' means a loan held by the Secretary and secured by a multifamily rental or cooperative housing project of 5 or more units that was formerly insured under title II of the National Housing Act;

(7) the term ''property market value'' means the value of any multifamily real property for its current use, without taking into account any affordability requirements; and

(8) the term ''Secretary'' means the Secretary of Housing and Urban Development.

SEC. 2023. APPROPRIATED FUNDS REQUIREMENT FOR BELOW MARKET SALES.

(a) DISPOSITIONS BY SECRETARY.—Notwithstanding any other provision of law, other than any statutory affordability requirement for the elderly and disabled, disposition by the Secretary of any multifamily real property through a discount sale under section 207(l) or 246 of the National Housing Act, section 203 of the Housing and Community Development Amendments of 1978, or section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, shall be subject to the availability of appropriations to the extent that the property value exceeds the sale proceeds. If the multifamily real property is sold for an amount equal to or greater than the property market value, the transaction is not subject to the availability of appropriations.

(b) DISCOUNT LOAN SALES.—Notwithstanding any other provision of law, and in accordance with the Credit Reform Act of 1990, a discount loan sale under 207(k) of the National Housing Act, section 203(k) of the Housing and Community Development Amendments of 1978, or section 204(a) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, shall be subject to the availability of appropriations, to the extent that the loan value exceeds the sale proceeds. If the multifamily loan is sold for an amount equal to or greater than the loan market value, then the transaction is not subject to the availability of appropriations.

(c) LIMITATION.—This section shall not apply to any transaction that formally commences during the 1-year period preceding the date of enactment of this Act.

SEC. 2024. UP-FRONT GRANTS.

(a) VA–HUD.—Section 204(a) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z–11a(a)) is amended by adding at the end the following: ''A grant provided under this subsection shall be available only to the extent that appropriations are made in advance for such purpose, and shall not be derived from the General Insurance Fund.''.

(b) OTHER GRANT AUTHORITY.—Section 203(f) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11(f)) is amended—

(1) by striking paragraph (4); and

(2) by redesignating paragraphs (5) through (9) as paragraphs (4) through (8), respectively.

(c) LIMITATION.—The amendments made by this section shall not apply to any grant in connection with any transaction that formally commences during the 1-year period preceding the date of enactment of this Act.

SEC. 2025. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for fiscal year 2006, $100,000,000 to carry out this subtitle.

Subtitle D—Adaptive Housing Assistance

SEC. 2031. SHORT TITLE.

This subtitle may be cited as the ''Specially Adapted Housing Grants Improvements Act of 2005''.

SEC. 2032. ADAPTIVE HOUSING ASSISTANCE FOR DISABLED VETERANS RESIDING TEMPORARILY IN HOUSING OWNED BY A FAMILY MEMBER.

(a) ASSISTANCE AUTHORIZED.—Chapter 21 of title 38, United States Code, is amended by inserting after section 2102 the following new section:

''§ 2102A. Assistance for veterans residing temporarily in housing owned by a family member

''(a) ASSISTANCE AUTHORIZED.—If a disabled veteran described in subsection (a)(2) or (b)(2) of section 2101 of this title resides, but does not intend to permanently reside, in a residence owned by a member of such veteran's family, the Secretary may assist the veteran in acquiring such adaptations to such residence as are determined by the Secretary to be reasonably necessary because of the veteran's disability.

''(b) LIMITATION ON AMOUNT OF ASSISTANCE.—Subject to section 2102(d) of this title, the assistance authorized under subsection (a) may not exceed—

''(1) $10,000, in the case of a veteran described in section 2101(a)(2) of this title; or

''(2) $2,000, in the case of a veteran described in section 2101(b)(2) of this title.

''(c) LIMITATION ON NUMBER OF RESIDENCES SUBJECT TO ASSISTANCE.—A veteran eligible for assistance authorized under subsection (a) may only be provided such assistance with respect to 1 residence.

''(d) REGULATIONS.—Assistance under this section shall be provided in accordance with such regulations as the Secretary may prescribe.

''(e) TERMINATION OF AUTHORITY.—The authority to provide assistance under subsection (a) shall expire at the end of the 5-year period beginning on the date of enactment of the Specially Adapted Housing Grants Improvements Act of 2005.''.

(b) LIMITATIONS ON ADAPTIVE HOUSING ASSISTANCE.—Section 2102 of such title is amended—

(1) in subsection (a), by striking ''The assistance authorized by section 2101(a)'' and all that follows through ''any one case—'' and inserting ''Subject to subsection (d), the assistance authorized under section 2101(a) of this title shall be afforded under 1 of the following plans, at the election of the veteran—'';

(2) by amending subsection (b) to read as follows:

''(b) Subject to subsection (d), and except as provided in section 2104(b) of this title, the assistance authorized by section 2101(b) of this title may not exceed the actual cost, or in the case of a veteran acquiring a residence already adapted with special features, the fair market value, of the adaptations determined by the Secretary under such section 2101(b) to be reasonably necessary.''; and

(3) by adding at the end the following new subsection:

''(d)(1) The aggregate amount of assistance available to a veteran under sections 2101(a) and 2102A of this title shall be limited to $50,000.

''(2) The aggregate amount of assistance available to a veteran under sections 2101(b) and 2102A of this title shall be limited to the lesser of—

''(A) the sum of the cost or fair market value described in section 2102(b) of this title and the actual cost of acquiring the adaptations described in subsection (a); and

''(B) $10,000.

''(3) No veteran may receive more than 3 grants of assistance under this chapter.''.

(c) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter of such title is amended by inserting after the item relating to section 2102 the following:

''2102A. Assistance for veterans residing temporarily in housing owned by family member.''.

SEC. 2033. GAO REPORTS.

(a) INTERIM REPORT.—Not later than 3 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress an interim report on the implementation of section 2102A of title 38, United States Code (as added by section 2(a)), by the Department of Veterans Affairs.

(b) FINAL REPORT.—Not later than 5 years after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a final report on the implementation of such section 2102A by the Department of Veterans Affairs.

TITLE III—COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

SEC. 3001. SHORT TITLE.

This title may be cited as the ''Digital Transition and Public Safety Act of 2005.''.

SEC. 3002. ANALOG SPECTRUM RECOVERY; HARD DEADLINE.

Section 309(j)(14) of the Communications Act of 1934 (47 U.S.C. 309(j)(14)) is amended—

(1) by striking ''December 31, 2006.'' in subparagraph (A) and inserting ''April 7, 2009.'';

(2) by striking subparagraph (B);

(3) by striking ''or (B)'' in subparagraph (C)(i)(I);

(4) by striking ''(C)(i),'' in subparagraph (D) and inserting ''(B)(i),''; and

(5) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

SEC. 3003. AUCTION OF RECOVERED SPECTRUM.

(a) AUCTION: DATE, APPLICABLE REQUIREMENTS.—Section 309(j)(15)(C) of the Communications Act of 1934 (47 U.S.C. 309(j)(15)(C)) is amended by adding at the end the following:

''(v) ADDITIONAL DEADLINES FOR RECOVERED ANALOG SPECTRUM.—Notwithstanding subparagraph (B), the Commission shall—

''(I) conduct the auction of the licenses for recovered analog spectrum commencing January 28, 2008;

''(II) not later than 60 days after the end of the pleading cycle for long-form applications for such auction established pursuant to part 1 of title 47, Code of Federal Regulations, grant or deny such long-form applications and issue the licenses for such recovered analog spectrum to each successful bidder whose long-form application is granted; and

''(III) collect and deposit the proceeds of such auction in the Digital Transition and Public Safety Fund established by section 3005 of the Digital Transition and Public Safety Act of 2005.

''(vi) RECOVERED ANALOG SPECTRUM.—For purposes of this subparagraph, the term 'recovered analog spectrum' means spectrum reclaimed from the analog television service under paragraph (14), except—

''(I) spectrum required by section 337 to be made available for public safety services; and

''(II) spectrum auctioned prior to the date of enactment of the Digital Transition and Public Safety Act of 2005.''.

(b) EXTENSION OF AUCTION AUTHORITY.—Paragraph (11) of section 309(j) of the Communications Act of 1934 (47 U.S.C. 309(j)(11)) is amended by striking ''September 30, 2007.'' and inserting ''September 30, 2009.''.

SEC. 3004. SUPPLEMENTAL LICENSE FEES.

In addition to any fees assessed under the Communications Act of 1934 (47 U.S.C. 151 et seq.), the Commission shall assess extraordinary fees for licenses in the aggregate amount of $10,000,000, which shall be deposited in the Treasury during fiscal year 2006 as offsetting receipts.

SEC. 3005. DIGITAL TRANSITION AND PUBLIC SAFETY FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a fund called the Digital Transition and Public Safety Fund.

(b) DEPOSIT OF AUCTION PROCEEDS.—The Commission shall deposit the proceeds of the auction authorized by section 309(j)(15)(C)(v) of the Communications Act of 1934 (47 U.S.C. 309(j)(15)(C)(v)) in the Fund as required by item (III) of that section.

(c) PAYMENTS AUTHORIZED.—The Secretary of Commerce or the Secretary's designee shall make payments from the Fund in the following amounts, for the following programs, and in the following order:

(1) Not to exceed $3,000,000,000 for a program to assist consumers in the purchase of converter boxes that convert a digital television signal to an analog television signal, and any amounts unexpended or unobligated at the conclusion of the program shall be used for the program described in paragraph (3).

(2) Not to exceed $200,000,000 for a program to convert low-power television stations and television translator stations from analog to digital, and any amounts unexpended or unobligated at the conclusion of the program shall be used for the program described in paragraph (3).

(3) Not to exceed $1,250,000,000 for a program to facilitate emergency communications, of which $1,000,000,000 shall be used for an interoperability fund and $250,000,000 shall be used to implement a national alert system, of which $50,000,000 shall be used for tsunami warning and coastal vulnerability programs.

(4) Not to exceed $250,000,000 for a program to implement the ENHANCE 911 Act of 2004 (47 U.S.C. 942 note).

(5) Not to exceed $200,000,000 for a program to provide assistance to coastal States and Indian tribes affected by hurricanes and other coastal disasters.

(d) TRANSFER OF AMOUNT TO TREASURY.—On October 2, 2009, Secretary shall transfer $5,000,000,000 from the Fund to the general fund of the Treasury.

(e) OBLIGATION TIME PERIOD.—Any amounts that are to be paid from the Fund under subsection (c) shall be obligated no later than September 14, 2010. The Secretary may not obligate any amounts from the Fund until the proceeds of the auction authorized by section 309(j)(15)(C)(v) are actually deposited by the Commission pursuant to subsection (b). Any amount in the Fund that is not obligated under subsection (c) by that date shall be transferred to the general fund of the Treasury.

(f) USE OF EXCESS PROCEEDS.—Any proceeds of the auction authorized by section 309(j)(15)(C)(v) of the Communications Act of 1934, as added by section 3003 of this Act, that exceed the sum of the payments made from the Fund under subsection (c), the transfer from the Fund under subsection (d), and any amount made available under section 3006 (referred to in this subsection as ''excess proceeds''), shall be distributed as follows:

(1) The first $1,000,000,000 of excess proceeds shall be transferred to and deposited in the general fund of the Treasury as miscellaneous receipts.

(2) After the transfer under paragraph (1), the next $500,000,000 of excess proceeds shall be transferred to the interoperability fund described in subsection (c)(3).

(3) After the transfers under paragraphs (1) and (2), the next $1,200,000,000 of excess proceeds shall be transferred to the assistance program described in subsection (c)(5).

(4) After the transfers under paragraphs (1) through (3), any remaining excess proceeds shall be transferred to and deposited in the general fund of the Treasury as miscellaneous receipts.

SEC. 3005A. COMMUNICATION SYSTEM GRANTS.

(a) DEFINITIONS.—In this section—

(1) the term ''demonstration project'' means the demonstration project established under subsection (b)(1);

(2) the term ''Department'' means the Department of Homeland Security;

(3) the term ''emergency response provider'' has the meaning given that term in section 2(6) the Homeland Security Act of 2002 (6 U.S.C. 101(6)); and

(4) the term ''Secretary'' means the Secretary of Homeland Security.

(b) IN GENERAL.—

(1) ESTABLISHMENT.—There is established in the Department an ''International Border Community Interoperable Communications Demonstration Project''.

(2) MINIMUM NUMBER OF COMMUNITIES.—The Secretary shall select not fewer than 2 communities to participate in a demonstration project.

(3) LOCATION OF COMMUNITIES.—Not fewer than 1 of the communities selected under paragraph (2) shall be located on the northern border of the United States and not fewer than 1 of the communities selected under paragraph (2) shall be located on the southern border of the United States.

(c) PROJECT REQUIREMENTS.—The demonstration projects shall—

(1) address the interoperable communications needs of police officers, firefighters, emergency medical technicians, National Guard, and other emergency response providers;

(2) foster interoperable communications—

(A) among Federal, State, local, and tribal government agencies in the United States involved in preventing or responding to terrorist attacks or other catastrophic events; and

(B) with similar agencies in Canada and Mexico;

(3) identify common international cross-border frequencies for communications equipment, including radio or computer messaging equipment;

(4) foster the standardization of interoperable communications equipment;

(5) identify solutions that will facilitate communications interoperability across national borders expeditiously;

(6) ensure that emergency response providers can communicate with each another and the public at disaster sites or in the event of a terrorist attack or other catastrophic event;

(7) provide training and equipment to enable emergency response providers to deal with threats and contingencies in a variety of environments; and

(8) identify and secure appropriate joint-use equipment to ensure communications access.

(d) DISTRIBUTION OF FUNDS.—

(1) IN GENERAL.—The Secretary shall distribute funds under this section to each community participating in a demonstration project through the State, or States, in which each community is located.

(2) OTHER PARTICIPANTS.—Not later than 60 days after receiving funds under paragraph (1), a State receiving funds under this section shall make the funds available to the local governments and emergency response providers participating in a demonstration project selected by the Secretary.

(e) FUNDING.—Amounts made available from the interoperability fund under section 3005(c)(3) shall be available to carry out this section without appropriation.

(f) REPORTING.—Not later than December 31, 2005, and each year thereafter in which funds are appropriated for a demonstration project, the Secretary shall provide to the Committee on Homeland Security and Governmental Affairs of the Senate and the Committee on Homeland Security of the House of Representatives a report on the demonstration projects under this section.

SEC. 3006. ESSENTIAL AIR SERVICE PROGRAM.

(a) IN GENERAL.—If the amount appropriated to carry out the essential air service program under subchapter II of chapter 417 of title 49, United States Code, equals or exceeds $110,000,000 for fiscal year 2006, 2007, 2008, 2009, or 2010, then the Secretary of Commerce shall make $15,000,000 available from the Digital Transition and Public Safety Fund available to the Secretary of Transportation for use in carrying out the essential air service program for that fiscal year.

(b) APPLICATION WITH OTHER FUNDS.—Amounts made available under subsection (a) for any fiscal year shall be in addition to any amounts—

(1) appropriated for that fiscal year; or

(2) derived from fees collected pursuant to section 45301(a)(1) of title 49, United States Code, that are made available for obligation and expenditure to carry out the essential air service program for that fiscal year.

TITLE IV—ENERGY AND NATURAL RESOURCES

SEC. 4001. OIL AND GAS LEASING PROGRAM.

(a) DEFINITIONS.—In this section:

(1) COASTAL PLAIN.—The term ''Coastal Plain'' means the area identified as the Coastal Plain on the map prepared by the United States Geological Survey, entitled ''Arctic National Wildlife Refuge 1002 Coastal Plain Area'', dated September 2005, and on file with the United States Geological Survey.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior, acting through the Bureau of Land Management.

(b) PROGRAM.—

(1) IN GENERAL.—Congress—

(A) authorizes the leasing, development, production, and transportation of oil and gas in and from the Coastal Plain; and

(B) directs the Secretary to take such actions as are necessary to—

(i) establish and implement an environmentally sound competitive oil and gas leasing program to carry out the activities authorized under subparagraph (A); and

(ii) conduct 2 lease sales before October 1, 2010.

(2) ADMINISTRATION.—The Secretary shall administer this section through regulations, lease terms, conditions, restrictions, prohibitions, stipulations, and other provisions that ensure the oil and gas exploration, development, production, and transportation activities on the Coastal Plain are carried out in a manner that will ensure the receipt of fair market value by the public for the mineral resources to be leased.

(c) LEASE SALES BEFORE FISCAL YEAR 2011.—

(1) IN GENERAL.—In order to enable the Secretary to hold 2 lease sales before October 1, 2010, this subsection shall apply with respect to the oil and gas leasing program established by the Secretary pursuant to this section.

(2) PURPOSES.—For purposes of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd et seq.) and amendments made by that Act, the oil and gas leasing program and activities authorized by this section in the Coastal Plain are deemed to be compatible with the purposes for which the Arctic National Wildlife Refuge was established, and no further findings or decisions are required to implement this determination of compatibility.

(3) PRELEASE ACTIVITIES.—The Final Legislative Environmental Impact Statement on the Coastal Plain dated April 1987 and prepared pursuant to section 1002 of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3142) and section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) is deemed to satisfy the requirements under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) that apply with respect to prelease activities, including actions authorized to be taken by the Secretary to develop and promulgate regulations for the establishment of the leasing program authorized by this section before the conduct of the first lease sale.

(4) PREFERRED ACTION.—

(A) NONLEASING ALTERNATIVES.—With respect to any environmental impact statement prepared by the Secretary under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) with respect to any lease sale conducted under the leasing program authorized by this section, the Secretary is not required to identify nonleasing alternative courses of action or to analyze the environmental effects of those courses of action.

(B) LEASING ALTERNATIVES.—The Secretary shall only identify a preferred action for leasing and a single leasing alternative, and analyze the environmental effects and potential mitigation measures for the preferred action and leasing alternative.

(C) DEADLINE.—The identification and related analyses required by subparagraph (B) shall be completed within 18 months after the date of enactment of this Act.

(D) PUBLIC COMMENTS.—The Secretary shall only consider public comments that are filed within 30 days after publication of an environmental analysis.

(E) COMPLIANCE.—Compliance with this paragraph satisfies all requirements of section 102(2)(C) of the National Environmental Policy Act of 1969 (42 U.S.C. 4332(2)(C)) for the analysis and consideration of the environmental effects of proposed leasing under this section.

(5) EXPEDITED JUDICIAL REVIEW.—

(A) VENUE; DEADLINE.—Any complaint seeking judicial review of this section or any action of the Secretary under this section shall be filed in the United States Court of Appeals for the District of Columbia—

(i) within the 90-day period beginning on the date of the action being challenged; or

(ii) in the case of a complaint based solely on grounds arising after that period, within 90 days after the complainant knew or reasonably should have known of the grounds for the complaint.

(B) SCOPE.—Judicial review of a decision of the Secretary to conduct a lease sale under this section (including the environmental analysis of the decision) shall be—

(i) limited to whether the Secretary has complied with this section; and

(ii) based on the administrative record of that decision.

(d) RECEIPTS.—Notwithstanding any other provision of law, of the amount of adjusted bonus, rental, and royalty receipts derived from oil and gas leasing and operations authorized under this section—

(1) 50 percent shall be paid to the State of Alaska; and

(2) the balance shall be deposited into the Treasury as miscellaneous receipts.

(e) RIGHTS-OF-WAY.—For purposes of section 1102(4)(A) of the Alaska National Interest Lands Conservation Act (16 U.S.C. 3162(4)(A)), any rights-of-way or easements across the Coastal Plain for the exploration, development, production, or transportation of oil and gas shall be considered to be established incident to the management of the Coastal Plain under this section.

(f) MAXIMUM SURFACE ACREAGE.—In administering this section, the Secretary shall ensure that the maximum quantity of surface acreage covered by production and support facilities (including airstrips and any area covered by gravel berms or piers for support of pipelines) does not exceed 2,000 acres on the Coastal Plain.

(g) PROHIBITION ON EXPORTS.—An oil or gas lease issued under this title shall prohibit the exportation of oil or gas produced under the lease.

TITLE V—COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

SEC. 5001. TECHNICAL CORRECTIONS TO SAFETEA–LU.

(a)(1) Notwithstanding any other provision of law, the amount of $639,000,000 described in section 1102(b)(10) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (119 Stat. 1144), shall be considered to be—

(A) for fiscal year 2006 only, $631,000,000; and

(B) for fiscal year 2007 only, $647,000,000.

(2) Notwithstanding any other provision of law, the amount of $2,639,000,000 described in section 1102(c)(6) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (119 Stat. 1144), shall be considered to be—

(A) for fiscal year 2006 only, $2,631,000,000; and

(B) for fiscal year 2007 only, $2,647,000,000.

(b) Section 4409 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (119 Stat. 1144) is amended—

(1) by striking ''Section'' and inserting the following:

''(a) IN GENERAL.—Section''; and

(2) by adding at the end the following:

''(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on December 31, 2008.''.

TITLE VI—COMMITTEE ON FINANCE

SEC. 6000. AMENDMENTS TO SOCIAL SECURITY ACT.

(a) AMENDMENTS TO SOCIAL SECURITY ACT.—Except as otherwise specifically provided, whenever in this title an amendment 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 that section or other provision of the Social Security Act.

(b) REFERENCES TO THE SECRETARY.—In this title, the term ''Secretary'' means the Secretary of Health and Human Services.

Subtitle A—Medicaid

CHAPTER 1—PAYMENT FOR PRESCRIPTION DRUGS UNDER MEDICAID

SEC. 6001. PHARMACY REIMBURSEMENT.

(a) DEFINITION OF AVERAGE MANUFACTURER PRICE.—

(1) IN GENERAL.—Section 1927(k)(1) (42 U.S.C. 1396r–8(k)(1)) is amended—

(A) in the paragraph heading, by striking ''PRICE'' and inserting ''PRICE; WEIGHTED AVERAGE MANUFACTURER PRICE'';

(B) by striking ''The term'' and inserting the following:

''(A) IN GENERAL.—The term''; and

(C) by adding at the end the following:

''(B) CALCULATION REQUIREMENTS.—For purposes of subparagraph (A), the average manufacturer price shall be calculated according to the following:

''(i) SALES EXEMPTED FROM COMPUTATION.—Without regard to—

''(I) sales exempt from inclusion in the determination of best price under subsection (c)(1)(C)(i);

''(II) such other sales as the Secretary identifies as sales to an entity that are merely nominal in amount under subsection (c)(1)(C)(ii)(III); and

''(III) bona fide service fees (as defined in subparagraph (E)) that are paid by a manufacturer to an entity, that represent fair market value for a bona fide service, and that are not passed on in whole or in part to a client or customer of an entity.

''(ii) SALE PRICE NET OF DISCOUNTS.—By including the following:

''(I) Cash discounts and volume discounts.

''(II) Free goods that are contingent upon any purchase requirement or agreement.

''(III) Sales at a nominal price that are contingent upon any purchase requirement or agreement.

''(IV) Chargebacks, rebates provided to a pharmacy (including a mail order pharmacy but excluding a pharmacy benefit manager), or any other direct or indirect discounts.

''(V) Any other price concessions, which may be based on recommendations of the Inspector General of the Department of Health and Human Services, that would result in a reduction of the cost to the purchaser, but only if the Secretary provides notice of the Secretary's intent to include such price concessions in accordance with section 553 of title 5, United States Code.

''(C) WEIGHTED AVERAGE MANUFACTURER PRICE.—The term 'weighted average manufacturer price' means, with respect to a rebate period and multiple source drug, the volume-weighted average of the average manufacturer prices reported under subsection (b)(3)(A)(i)(I) for all drug products described in paragraph (7)(A)(i) that are therapeutically equivalent and bioequivalent forms of the drug, determined by—

''(i) computing the sum of the products (for each National Drug Code assigned to such drug products) of—

''(I) the average manufacturer price; and

''(II) the total number of units reported sold under subsection (b)(3)(A)(i)(I); and

''(ii) dividing the sum determined under clause (i) by the sum of the total number of

units under clause (i)(II) for all National Drug Codes assigned to such drug products.

''(D) LIMITATION ON SALES AT A NOMINAL PRICE.—

''(i) IN GENERAL.—For purposes of clauses (i)(II) and (ii)(III) of subparagraph (B), only sales by a manufacturer of covered outpatient drugs that are single source drugs, innovator multiple source drugs, or authorized generic drugs at nominal prices to the following shall be considered to be sales at a nominal price or merely nominal in amount:

''(I) A covered entity described in section 340B(a)(4) of the Public Health Service Act.

''(II) An intermediate care facility for the mentally retarded.

''(III) A State-owned or operated nursing facility.

''(IV) Any other facility or entity that the Secretary determines is a safety net provider to which sales of such drugs at a nominal price would be appropriate based on the following factors:

''(aa) The type of facility.

''(bb) The services provided by the facility.

''(cc) The patient population served by the facility.

''(dd) The number of other facilities eligible to purchase at nominal prices in the same service area.

''(ii) NONAPPLICATION.—Clause (i) shall not apply with respect to sales by a manufacturer at a nominal price of covered outpatient drugs that are single source drugs, innovator multiple source drugs, or authorized generic drugs pursuant to a master agreement under section 8126 of title 38, United States Code.

''(E) BONA FIDE SERVICE FEES.—For purposes of subparagraph (B)(i)(III), the term 'bona fide service fees' means expenses that are for an itemized service actually performed by an entity on behalf of a manufacturer that would have generally been paid for by the manufacturer at the same rate had these services been performed by another entity.''.

(2) CONFORMING AMENDMENTS.—Section 1927(b)(3)(A)(i) (42 U.S.C. 1396r–8(b)(3)(A)(i)), as amended by section 6003(a), is amended—

(A) in subclause (I)—

(i) by inserting ''and the total number of units sold'' after ''(as defined in subsection (k)(1))''; and

(ii) by striking ''and'' at the end;

(B) in subclause (II), by adding ''and'' at the end; and

(C) by adding at the end the following:

''(III) information and data on any sales that were made during such period at a nominal price, including, with respect to each such sale, the purchaser, the name of the product, the amount or number of units of the product sold at a nominal price, and the nominal price paid;''.

(3) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendments made by this subsection shall take effect on January 1, 2006.

(B) EXCEPTION.—Subparagraph (D) of section 1927(k)(1) of the Social Security Act (42 U.S.C. 1396r–8(k)(1)) (as added by paragraph (1)) shall not apply with respect to a contract in effect on the date of enactment of this Act pursuant to which pharmaceutical products are or may be available at nominal prices until the expiration date of such contract, or October 1, 2006, whichever is earlier, and shall apply to sales made, and rebate periods beginning, on or after that date.

(4) EXCLUSION OF DISCOUNTS PROVIDED TO MAIL ORDER AND NURSING FACILITY PHARMACIES FROM THE DETERMINATION OF AVERAGE MANUFACTURER PRICE.—

(A) IN GENERAL.—Section 1927(k)(1)(B)(ii)(IV) (42 U.S.C. 1396r–8(k)(1)(B)(ii)(IV)), as added by paragraph (1)(C), is amended to read as follows:

''(IV) Chargebacks, rebates provided to a pharmacy (excluding a mail order pharmacy, a pharmacy at a nursing facility or home, and a pharmacy benefit manager), or any other direct or indirect discounts.''.

(B) EFFECTIVE DATE.—Paragraph (3) shall apply to the amendment made by subparagraph (A).

(5) EXTENSION OF PRESCRIPTION DRUG DISCOUNTS TO ENROLLEES OF MEDICAID MANAGED CARE ORGANIZATIONS.—

(A) IN GENERAL.—Section 1903(m)(2)(A) (42 U.S.C. 1396b(m)(2)(A)) is amended—

(i) in clause (xi), by striking ''and'' at the end;

(ii) in clause (xii), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(xiii) such contract provides that payment for covered outpatient drugs dispensed to individuals eligible for medical assistance who are enrolled with the entity shall be subject to the same rebate agreement entered into under section 1927 as the State is subject to and that the State shall have the option of collecting rebates for the dispensing of such drugs by the entity directly from manufacturers or allowing the entity to collect such rebates from manufacturers in exchange for a reduction in the prepaid payments made to the entity for the enrollment of such individuals.''.

(B) CONFORMING AMENDMENT.—Section 1927(j)(1) (42 U.S.C. 1396r–8(j)91)) is amended by inserting ''other than for purposes of collection of rebates for the dispensing of such drugs in accordance with the provisions of a contract under section 1903(m) that meets the requirements of paragraph (2)(A)(xiii) of that section'' before the period.

(C) EFFECTIVE DATE.—The amendments made by this paragraph take effect on the date of enactment of this Act and apply to rebate agreements entered into or renewed under section 1927 of the Social Security Act (42 U.S.C. 1396r–8) on or after such date.

(b) UPPER PAYMENT LIMIT FOR INGREDIENT COST OF COVERED OUTPATIENT DRUGS.—

(1) IN GENERAL.—Section 1927(e) (42 U.S.C. 1396r–8(e)) is amended to read as follows:

''(e) PHARMACY REIMBURSEMENT LIMITS.—

''(1) UPPER PAYMENT LIMIT FOR INGREDIENT COST OF COVERED OUTPATIENT DRUGS.—No Federal financial participation shall be available for payment for the ingredient cost of a covered outpatient drug that exceeds the upper payment limit for that drug established under paragraph (2).

''(2) UPPER PAYMENT LIMIT.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), the upper payment limit established under this paragraph for the ingredient cost of a—

''(i) single source drug, is 105 percent of the average manufacturer price for that drug; and

''(ii) multiple source drug, is 115 percent of the weighted average manufacturer price for that drug.

''(B) EXCEPTION FOR INITIAL SALES PERIODS.—

''(i) IN GENERAL.—In the case of a covered outpatient drug during an initial sales period (not to exceed 2 calendar quarters) in which data on sales for the drug is not sufficiently available from the manufacturer to compute the average manufacturer price or the weighted average manufacturer price, the Secretary shall establish the upper payment limit for the ingredient cost of such drug to apply only during such period based on the following:

''(I) In the case of a single source drug, such upper payment limit shall be the wholesale acquisition cost for the drug.

''(II) In the case of a first noninnovator multiple source drug, such upper payment limit shall be the average manufacturer price for the single source drug that is rated as therapeutically equivalent and bioequivalent to such drug, minus 10 percent.

''(III) In the case of a subsequent noninnovator multiple source drug—

''(aa) if the Secretary has sufficient data to determine the weighted average manufacturer price for the drug, such upper payment limit shall be the weighted average manufacturer price determined for the therapeutically equivalent and bioequivalent form of the drug; and

''(bb) if the Secretary does not have sufficient data to determine the weighted average manufacturer price for the drug, such upper payment limit shall be the average manufacturer price for the single source drug that is rated as therapeutically equivalent and bioequivalent to the drug, minus 10 percent.

''(ii) DEFINITION OF WHOLESALE ACQUISITION COST.—For purposes of clause (i), the term 'wholesale acquisition cost' means, with respect to a drug or biological, the manufacturer's list price for the drug or biological to wholesalers or direct purchasers in the United States, not including prompt pay or other discounts, rebates, or reductions in price, for the most recent month for which the information is available, as reported in wholesale price guides or other publications of drug or biological pricing data.

''(C) EXCEPTION FOR CERTAIN INNOVATOR MULTIPLE SOURCE DRUGS.—In the case of an innovator multiple source drug that a prescribing health care provider determines is necessary for treatment of a condition and that a noninnovator multiple source drug would not be as effective for the individual or would have adverse effects for the individual or both, and for which the provider obtains prior authorization in accordance with a program described in subsection (d)(5), the upper payment limit for the innovator multiple source drug shall be 105 percent of the average manufacturer price for such drug.

''(D) UPDATES; AVAILABILITY OF DATA.—

''(i) FREQUENCY OF DETERMINATION.—The Secretary shall update the upper payment limits applicable under this paragraph on a quarterly basis, taking into account the most recent data collected for purposes of determining such limits and the Food and Drug Administration's most recent publication of 'Approved Drug Products with Therapeutic Equivalence Evaluations'.

''(ii) COLLECTION OF DATA.—

''(I) IN GENERAL.—Beginning on January 1, 2006, the Secretary shall collect data with respect to the average manufacturer prices and volume of sales of covered outpatient drugs (or, in the case of covered outpatient drugs that are first marketed after such date, beginning with the first quarter during which the drugs are first marketed).

''(II) DATA REPORTED FOR PURPOSES OF DETERMINING WEIGHTED AVERAGE MANUFACTURER PRICE.—Insofar as there is a lag in the reporting of the information on rebates and chargebacks so that adequate data are not available on a timely basis to update the weighted average manufacturer price for a multiple source drug, the manufacturer of such drug shall apply a methodology based on a 12-month rolling average for the manufacturer to estimate costs attributable to rebates and charge backs for such drug. For years after 2006, the Secretary shall establish a uniform methodology to estimate and apply such costs.

''(iii) AVAILABILITY OF DATA TO STATES.—Notwithstanding subsection (b)(3)(D), beginning with the first quarter of fiscal year 2006

for which data is available, and for each fiscal year quarter thereafter, the Secretary shall make available to States the most recently reported average manufacturer prices for single source drugs and weighted average manufacturer prices for multiple source drugs.

''(E) AUTHORITY TO ENTER CONTRACTS.—The Secretary may enter into contracts with appropriate entities to determine average manufacturer prices, volume, and other data necessary to calculate the upper payment limit for a covered outpatient drug established under this subsection and to calculate that payment limit.

''(3) STATE USE OF PRICE DATA.—

''(A) DISTRIBUTION OF DATA.—The Secretary shall devise and implement a means for electronic distribution of the most recently calculated weighted average manufacturer price and the average manufacturer price for all covered outpatient drugs to each State agency designated under section 1902(a)(5) with responsibility for the administration or supervision of the administration of the State plan under this title.

''(B) AUTHORITY TO ESTABLISH PAYMENT RATES BASED ON DATA.—A State may use the price data received in accordance with subparagraph (A) in establishing payment rates for the ingredient costs and dispensing fees for covered outpatient drugs dispensed to individuals eligible for medical assistance under this title.

''(4) REASONABLE DISPENSING FEES REQUIRED.—

''(A) IN GENERAL.—A State which provides medical assistance for covered outpatient drugs shall pay a dispensing fee for each covered outpatient drug for which Federal financial participation is available in accordance with this section in accordance with the following:

''(i) The dispensing fee for a noninnovator multiple source drug shall be greater than the dispensing fee for an innovator multiple source drug that is rated as therapeutically equivalent and bioequivalent to such drug.

''(ii) In establishing such dispensing fees, the State takes into consideration such requirements as the Secretary shall, by regulation, establish, and which shall include consideration of the following:

''(I) Any reasonable costs associated with a pharmacist's time in checking for information about an individual's coverage or performing quality assurance activities.

''(II) Costs associated with—

''(aa) the measurement or mixing of a covered outpatient drug;

''(bb) filling the container for the drug;

''(cc) physically providing the completed prescription to an individual enrolled in the program under this title;

''(dd) delivery;

''(ee) special packaging;

''(ff) overhead related to maintaining the facility and equipment necessary to operate the pharmacy, including the salaries of pharmacists and other pharmacy workers;

''(gg) geographic factors that impact operational costs;

''(hh) patient counseling; and

''(ii) the dispensing of drugs requiring specialty pharmacy care management services (as determined by the Secretary in accordance with subparagraph (B)).

''(B) DETERMINATION OF DRUGS REQUIRING SPECIALTY PHARMACY CARE MANAGEMENT SERVICES.—

''(i) IN GENERAL.—Not later than 15 months after the date of enactment of the Deficit Reduction Omnibus Reconciliation Act of 2005, the Secretary shall establish a list of covered outpatient drugs which require specialty pharmacy care management services that includes only those drugs for which the Secretary determines that access by individuals eligible for medical assistance under this title would be seriously impaired without the provision of specialty pharmacy care management services.

''(ii) SPECIALTY PHARMACY CARE MANAGEMENT SERVICES DEFINED.—For purposes of this paragraph, the term 'specialty pharmacy care management services' means services provided in connection with the dispensing or administration of a covered outpatient drug which the Secretary determines requires—

''(I) significant caregiver and provider contact and education regarding the relevant disease state, prevention, treatment, drug indications, benefits, risks, complications, use, pharmacy counseling, and explanation of existing provider guidelines;

''(II) patient compliance services, including coordination of provider visits with drug delivery, compliance with a drug dosing regimen, mailing or telephone call reminders, compiling compliance data, and assisting providers in developing compliance programs; or

''(III) tracking services, including developing referral processes with providers, screening referrals, and tracking patient weight for dosing requirements.

''(iii) QUARTERLY UPDATES.—The Secretary shall update the list of covered outpatient drugs requiring specialty pharmacy management services on a quarterly basis.

''(5) RULES APPLICABLE TO CRITICAL ACCESS RETAIL PHARMACIES.—

''(A) REIMBURSEMENT LIMITS.—Notwithstanding paragraph (2)(A), in the case of a critical access retail pharmacy (as defined in subparagraph (C)), the upper payment limit—

''(i) for the ingredient cost of a single source drug, is the lesser of—

''(I) 108 percent of the average manufacturer price for the drug; or

''(II) the wholesale acquisition cost for the drug; and

''(ii) for the ingredient cost of a multiple source drug, is the lesser of—

''(II) 140 percent of the weighted average manufacturer price for the drug; or

''(II) the wholesale acquisition cost for the drug.

''(B) APPLICATION OF OTHER PROVISIONS.—The preceding provisions of this subsection shall apply with respect to reimbursement to a critical access retail pharmacy in the same manner as such provisions apply to reimbursement to other retail pharmacies except that, in establishing the dispensing fee for a critical access pharmacy the Secretary, in addition to the factors required under paragraph (4), shall include consideration of the costs associated with operating a critical access retail pharmacy.

''(C) CRITICAL ACCESS RETAIL PHARMACY DEFINED.—For purposes of subparagraph (A), the term 'critical access retail pharmacy' means an retail pharmacy that is not within a 20-mile radius of another retail pharmacy.''.

(2) INCREASE IN BASIC REBATE FOR SINGLE SOURCE DRUGS AND INNOVATOR MULTIPLE SOURCE DRUGS.—Section 1927(c)(1)(B)(i)(VI) (42 U.S.C. 1396r–8(c)(1)(B)(i)(VI), as added by section 6002(a)(3), is amended by striking ''17'' and inserting ''18.1''.

(3) CONFORMING AMENDMENTS.—

(A) Section 1927(b)(3)(D)(i) (42 U.S.C. 1396r–8(b)(3)(D)(i)) is amended by inserting ''(including with respect to the determination of weighted average manufacturer prices under subsection (e)(2) and the distribution of weighted average manufacturer prices and average manufacturer prices for covered outpatient drugs to States under subsection (e)(3))'' after ''this section''.

(B) Section 1903(i)(10) (42 U.S.C. 1396b(i)(10)) is amended—

(i) in subparagraph (A), by striking ''and'' at the end;

(ii) in subparagraph (B), by striking ''or'' at the end and inserting ''and''; and

(iii) by adding at the end the following:

''(C) with respect to any amount expended for the ingredient cost of a covered outpatient drug that exceeds the upper payment limit for that drug established under section 1927(e); or''.

(4) EFFECTIVE DATE.—The amendments made by this subsection take effect with respect to a State on the later of—

(A) January 1, 2007; or

(B) the date that is 6 months after the close of the first regular session of the State legislature that begins after the date of enactment of this Act.

(c) INTERIM UPPER PAYMENT LIMIT.—

(1) IN GENERAL.—With respect to a State program under title XIX of the Social Security Act, during the period that begins on January 1, 2006, and ends on the effective date applicable to such State under subsection (b)(3), the Secretary shall—

(A) apply the Federal upper payment limit established under section 447.332(b) of title 42, Code of Federal Regulations to the State by substituting ''125 percent'' for ''150 percent''; and

(B) in the case of covered outpatient drugs under title XIX of such Act that are marketed as of July 1, 2005, and are subject to Federal upper payment limits that apply under section 447.332 of title 42, Code of Federal Regulations, use average wholesale prices, direct prices, and wholesale acquisition costs for such drugs that do not exceed such prices and costs as of such date to determine the Federal upper payment limits that apply under section 447.332 of title 42, Code of Federal Regulations to such drugs during such period.

(2) APPLICATION TO NEW DRUGS.—Paragraph (1)(A) shall apply to a covered outpatient drug under title XIX of the Social Security Act that is first marketed after July 1, 2005, but before January 1, 2007, and is subject to the Federal upper payment limit established under section 447.332(b) of title 42, Code of Federal Regulations.

SEC. 6002. INCREASE IN REBATES FOR COVERED OUTPATIENT DRUGS.

(a) INCREASE IN BASIC REBATE FOR SINGLE SOURCE DRUGS AND INNOVATOR MULTIPLE SOURCE DRUGS.—Section 1927(c)(1)(B)(i) (42 U.S.C. 1396r–8(c)(1)(B)(i)) is amended—

(1) in subclause (IV), by striking ''and'' after the semicolon;

(2) in subclause (V)—

(A) by inserting ''and before January 1, 2006,'' after ''1995,''; and

(B) by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(VI) after December 31, 2005, is 17 percent.''.

(b) INCREASE IN REBATE FOR OTHER DRUGS.—Section 1927(c)(3)(B) (42 U.S.C. 1396r–8(c)(3)(B)) is amended—

(1) in clause (i), by striking ''and'' at the end;

(2) in clause (ii)—

(A) by inserting ''and before January 1, 2006,'' after ''December 31, 1993,''; and

(B) by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(iii) after December 31, 2005, is 17 percent.''.

SEC. 6003. IMPROVED REGULATION OF AUTHORIZED GENERIC DRUGS.

(a) INCLUSION WITH OTHER REPORTED AVERAGE MANUFACTURER AND BEST PRICES.—Section 1927(b)(3)(A) (42 U.S.C. 1396r–8(b)(3)(A)) is amended—

(1) by striking clause (i) and inserting the following:

''(i) not later than 30 days after the last day of each rebate period under the agreement—

''(I) on the average manufacturer price (as defined in subsection (k)(1)) for each covered outpatient drug for the rebate period under the agreement (including for each such drug that is an authorized generic drug or is any other drug sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act); and

''(II) for each single source drug, innovator multiple source drug, authorized generic drug, and any other drug sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act, on the manufacturer's best price (as defined in subsection (c)(1)(C)) for such drug for the rebate period under the agreement;''; and

(2) in clause (ii), by inserting ''(including for such drugs that are authorized generic drugs or are any other drugs sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act)'' after ''drugs''.

(b) CONFORMING AMENDMENTS.—Section 1927 of such Act (42 U.S.C. 1396r–8) is amended—

(1) in subsection (c)(1)(C)—

(A) in clause (i), in the matter preceding subclause (I), by striking ''or innovator multiple source drug of a manufacturer'' and inserting '', innovator multiple source drug, or authorized generic drug of a manufacturer, or any other drug of a manufacturer that is sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act''; and

(B) in clause (ii)—

(i) in subclause (II), by striking ''and'' at the end;

(ii) in subclause (III), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following:

''(IV) in the case of a manufacturer that approves, allows, or otherwise permits an authorized generic drug or any other drug of the manufacturer to be sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act, shall be inclusive of the lowest price for such authorized generic or other drug available from the manufacturer during the rebate period to any wholesaler, retailer, provider, health maintenance organization, nonprofit entity, or governmental entity within the United States, excluding those prices described in subclauses (I) through (IV) of clause (i).''; and

(2) in subsection (k)—

(A) in paragraph (1), as amended by section 6001(a)(1)(B), by adding at the end the following:

''(F) INCLUSION OF AUTHORIZED GENERIC DRUGS.—In the case of a manufacturer that approves, allows, or otherwise permits an authorized generic drug or any other drug of the manufacturer to be sold under a new drug application approved under section 505(c) of the Federal Food, Drug, and Cosmetic Act, such term shall be inclusive of the average price paid for such authorized generic or other drug.''; and

(B) by adding at the end the following:

''(10) AUTHORIZED GENERIC DRUG.—The term 'authorized generic drug' means a listed drug (as that term is used in section 505(j) of the Federal Food, Drug, and Cosmetic Act) that—

''(A) has been approved under section 505(c) of such Act; and

''(B) is marketed, sold, or distributed directly or indirectly to the retail class of trade under a different labeling, packaging (other than repackaging as the listed drug in blister packs, unit doses, or similar packaging for use in institutions), product code, labeler code, trade name, or trade mark than the listed drug.''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on January 1, 2006.

SEC. 6004. COLLECTION OF REBATES FOR CERTAIN PHYSICIAN ADMINISTERED DRUGS.

(a) IN GENERAL.—Section 1927(a) (42 U.S.C. 1396r–8(a)) is amended by adding at the end the following:

''(7) REQUIREMENT FOR SUBMISSION OF UTILIZATION DATA FOR CERTAIN PHYSICIAN-ADMINISTERED DRUGS.—In order for payment to be available under section 1903(a) for a covered outpatient drug that is physician administered (as determined by the Secretary), and that is administered on or after January 1, 2006, the State shall provide for the submission of such utilization data and coding (including both J-codes and National Drug Code numbers) for each such drug as the Secretary may specify as necessary in order to secure rebates for payments made under this title.''.

(b) LIMITATION ON PAYMENT.—Section 1903(i)(10) (42 U.S.C. 1396b(i)(10)), as amended by section 6001(b)(2)(B), is amended—

(1) in subparagraph (B), by striking ''and'' at the end;

(2) in subparagraph (C), by striking ''; or'' at the end and inserting '', and''; and

(3) by adding at the end the following:

''(D) with respect to covered outpatient drugs described in section 1927(a)(7), unless information with respect to utilization data and coding on such drugs is submitted in accordance with that section; or''.

CHAPTER 2—LONG-TERM CARE UNDER MEDICAID

SEC. 6011. REFORM OF MEDICAID ASSET TRANSFER RULES.

(a) REQUIREMENT TO IMPOSE PARTIAL MONTHS OF INELIGIBILITY.—Section 1917(c)(1)(E) (42 U.S.C. 1396p(c)(1)(E)) is amended by adding at the end the following:

''(iv) A State shall not round down, or otherwise disregard any fractional period of ineligibility determined under clause (i) or (ii) with respect to the disposal of assets.''.

(b) AUTHORITY FOR STATES TO ACCUMULATE MULTIPLE TRANSFERS INTO 1 PENALTY PERIOD.—Section 1917(c)(1) (42 U.S.C. 1396p(c)(1)) is amended by adding at the end the following:

''(F) Notwithstanding the preceding provisions of this paragraph, in the case of an individual (or individual's spouse) who disposes of multiple assets in more than 1 month for less than fair market value on or after the applicable look-back date specified in subparagraph (B), a State may determine the period of ineligibility applicable to such individual under this paragraph by—

''(i) treating the total, cumulative uncompensated value of all assets transferred by the individual (or individual's spouse) during all months on or after the look-back date specified in subparagraph (B) as 1 transfer for purposes of clause (i) or (ii) (as the case may be) of subparagraph (E); and

''(ii) beginning such period on the earliest date which would apply under subparagraph (D) to any of such transfers.''.

(c) INCLUSION OF TRANSFER OF CERTAIN NOTES AND LOANS ASSETS.—Section 1917(c)(1) (42 U.S.C. 1396p(c)(1)), as amended by subsection (b), is amended by adding at the end the following:

''(G) For purposes of this paragraph with respect to a transfer of assets, the term 'assets' includes funds used to purchase a promissory note, loan, or mortgage unless such note, loan, or mortgage—

''(i) has a repayment term that is actuarially sound (as determined in accordance with actuarial publications of the Office of the Chief Actuary of the Social Security Administration);

''(ii) provides for payments to be made in equal amounts during the term of the loan, with no deferral and no balloon payments made; and

''(iii) prohibits the cancellation of the balance upon the death of the lender.

In the case of a promissory note, loan, or mortgage that does not satisfy the requirements of clauses (i) through (iii), the value of such note, loan, or mortgage shall be the outstanding balance due as of the date of the individual's application for medical assistance for services described in subparagraph (C).''.

(d) TREATMENT OF ANNUITIES.—

(1) INCLUSION OF TRANSFERS TO PURCHASE BALLOON ANNUITIES.—Section 1917(c)(1) (42 U.S.C. 1396p(c)(1)), as amended by subsection (c), is amended by adding at the end the following:

''(H) For purposes of this paragraph with respect to a transfer of assets, the term 'assets' includes an annuity purchased by or on behalf of an annuitant who has applied for medical assistance with respect to nursing facility services or other long-term care services under this title unless—

''(i) the annuity is—

''(I) an annuity described in subsection (b) or (q) of section 408 of the Internal Revenue Code of 1986; or

''(II) purchased with proceeds from—

''(aa) an account or trust described in subsection (a), (c), (p) of section 408 of such Code;

''(bb) a simplified employee pension (within the meaning of section 408(k) of such Code); or

''(cc) a Roth IRA described in section 408A of such Code; or

''(ii) the annuity—

''(I) is irrevocable and nonassignable;

''(II) is actuarially sound (as determined in accordance with actuarial publications of the Office of the Chief Actuary of the Social Security Administration); and

''(III) provides for payments in equal amounts during the term of the annuity, with no deferral and no balloon payments made.''.

(2) REQUIREMENT FOR STATE TO BE NAMED AS A REMAINDER BENEFICIARY.—Section 1917(c)(1) (42 U.S.C. 1396p(c)(1)), as amended by paragraph (1), is amended by adding at the end the following:

''(I) For purposes of this paragraph, the purchase of an annuity shall be treated as the disposal of an asset for less than fair market value unless the State is named as the remainder beneficiary in the first position for at least the total amount of medical assistance paid on behalf of the annuitant under this title or is named as such a beneficiary in the second position after the community spouse and such spouse does not dispose of any such remainder for less than fair market value.''.

(3) INCLUSION OF CERTAIN ANNUITIES IN AN ESTATE.—Section 1917(b)(4) (42 U.S.C. 1396p(b)(4)) is amended—

(A) in subparagraph (A), by striking ''and'' at the end;

(B) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(C) shall include an annuity unless the annuity was purchased from a financial institution or other business that sells annuities in the State as part of its regular business.''.

(e) INCLUSION OF TRANSFERS TO PURCHASE LIFE ESTATES.—Section 1917(c)(1) (42 U.S.C. 1396p(c)(1)), as amended by subsection (d)(2), is amended by adding at the end the following:

''(J) For purposes of this paragraph with respect to a transfer of assets, the term 'assets' includes the purchase of a life estate interest in another individual's home unless the purchaser resides in the home for a period of at least 1 year after the date of the purchase.

(f) PROTECTION AGAINST UNDUE HARDSHIP.—Section 1917(c) (42 U.S.C. 1396p(c)) is amended by adding at the end the following:

''(6) For purposes of paragraph (2)(D) and subsection (d)(5), the procedures established by the State in accordance with standards specified by the Secretary shall provide for—

''(A) notice, before application of the provisions of paragraph (1) or subsection (d), to an individual who is an applicant for medical assistance under this title who would be subject to such a penalty under such provisions that an undue hardship exception exists;

''(B) a timely process before the imposition of a penalty for determining whether an undue hardship waiver will be granted for the individual;

''(C) a process under which an adverse determination can be appealed; and

''(D) application of criteria that specifies that an undue hardship exists when application of the provisions of paragraph (1) or subsection (d) would deprive the individual of medical care such that the individual's health or life would be endangered or when the application of such provisions would deprive the individual of food, clothing, shelter, or other necessities of life.''.

(g) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to payments under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) for calendar quarters beginning on or after the date of enactment of this Act, without regard to whether or not final regulations to carry out such amendments have been promulgated by such date.

(2) EXCEPTIONS.—The amendments made by this section shall not apply—

(A) to medical assistance provided for services furnished before the date of enactment;

(B) with respect to assets disposed of on or before the date of enactment of this Act; or

(C) with respect to trusts established on or before the date of enactment of this Act.

(3) EXTENSION OF EFFECTIVE DATE FOR STATE LAW AMENDMENT.—In the case of a State plan under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) which the Secretary of Health and Human Services determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by a provision of this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of the session is considered to be a separate regular session of the State legislature.

SEC. 6012. STATE LONG-TERM CARE PARTNERSHIPS.

(a) EXPANSION OF STATE LONG-TERM CARE PARTNERSHIPS.—

(1) IN GENERAL.—Section 1917(b)(1)(C)(ii) (42 U.S.C. 1396p(b)(1)(C)(ii)) is amended to read as follows:

''(ii) Clause (i) shall not apply in the case of an individual who received medical assistance under—

''(I) a Qualified State Long-Term Care Insurance Partnership (as defined in paragraph (5)); or

''(II) under a State plan of a State which—

''(aa) had a State plan amendment approved as of May 14, 1993, which provided for the disregard of any assets or resources to the extent that payments are made under a long-term care insurance policy or because an individual has received (or is entitled to receive) benefits under a long-term care insurance policy; and

''(bb) has a State plan amendment which satisfies the requirements of subparagraphs (B) through (G) of paragraph (5) in the case of any long-term care insurance policy sold under such plan amendment on or after the date that is 2 years after the date of enactment of such paragraph.

For purposes of this clause and paragraphs (5) and (6), the term 'long-term care insurance policy' includes a certificate issued under a group insurance contract.''.

(2) SATISFACTION OF MINIMUM FEDERAL STANDARDS, TAX QUALIFICATIONS, INFLATION PROTECTION, AND OTHER REQUIREMENTS FOR LONG-TERM CARE INSURANCE PARTNERSHIPS.—Section 1917(b) (42 U.S.C. 1396p(b)) is amended by inserting at the end the following:

''(5) The term 'Qualified State Long-Term Care Insurance Partnership' means a program offered in a State with an approved State plan amendment that provides for the following:

''(A) Subject to the limit specified in subparagraph (D), the disregard of any assets or resources in an amount equal to the amount of payments made to, or on behalf of, an individual who is a beneficiary under any long-term care insurance policy sold under such plan amendment.

''(B) A requirement that the State will treat benefits paid under any long-term care insurance policy sold under a plan amendment of another State that maintains a Qualified Long-Term Care Insurance Partnership or is described in subsection (b)(1)(C)(ii)(II) the same as the State treats benefits paid under such a policy sold under the State's plan amendment.

''(C) A requirement that any long-term care insurance policy sold under such plan amendment—

''(i) be a qualified long-term care insurance contract within the meaning of section 7702B(b) of the Internal Revenue Code of 1986; and

''(ii) meet the requirements described in paragraph (6).

''(D) A requirement that any such policy sold under the State plan amendment shall provide for—

''(i) compound annual inflation protection of at least 5 percent; and

''(ii) asset protection that does not exceed $250,000.

The dollar amount specified in the preceding sentence shall be increased, beginning with 2007, from year to year based on the percentage increase in the medical care expenditure category of the Consumer Price Index for All Urban Consumers (United States city average), published by the Bureau of Labor Statistics, rounded to the nearest $100.

''(E) A requirement that an insurer may rescind a long-term care insurance policy sold under such State plan amendment that has been in effect for at least 2 years or deny an otherwise valid long-term care insurance claim under such a policy only upon a showing of misrepresentation that is material to the acceptance of coverage, pertains to the claim made, and could not have been known by the insurer at the time the policy was sold.

''(F) A requirement that any individual who sells such a policy receive training, and demonstrate evidence of an understanding of, the policy and how the policy relates to other public and private coverage of long-term care.

''(G) A requirement that the issuer of any such policy report—

''(i) to the Secretary, such information or data as the Secretary may require; and

''(ii) to the State, the information or data reported to the Secretary (if any), the information or data required under the minimum reporting requirements developed under section 6012(b)(2)(B) of the Deficit Reduction Omnibus Reconciliation Act of 2005, and such additional information or data as the State may require.

For purposes of applying this paragraph, if a long-term care insurance policy is exchanged for another such policy, the date coverage became effective under the first policy shall determine when coverage first becomes effective.

''(6)(A) For purposes of subparagraph (C)(ii) of paragraph (5), the requirements of this paragraph are met if a long-term care insurance policy sold under a plan amendment described in that paragraph meets—

''(i) MODEL REGULATION.—The following requirements of the model regulation:

''(I) Section 6A (relating to guaranteed renewal or noncancellability), other than paragraph (5) thereof, and the requirements of section 6B of the model Act relating to such section 6A.

''(II) Section 6B (relating to prohibitions on limitations and exclusions) other than paragraph (7) thereof.

''(III) Section 6C (relating to extension of benefits).

''(IV) Section 6D (relating to continuation or conversion of coverage).

''(V) Section 6E (relating to discontinuance and replacement of policies).

''(VI) Section 7 (relating to unintentional lapse).

''(VII) Section 8 (relating to disclosure), other than sections 8F, 8G, 8H, and 8I thereof.

''(VIII) Section 9 (relating to required disclosure of rating practices to consumer).

''(IX) Section 11 (relating to prohibitions against post-claims underwriting).

''(X) Section 12 (relating to minimum standards).

''(XI) Section 14 (relating to application forms and replacement coverage).

''(XII) Section 15 (relating to reporting requirements).

''(XIII) Section 22 (relating to filing requirements for marketing).

''(XIV) Section 23 (relating to standards for marketing), including inaccurate completion of medical histories, other than paragraphs (1), (6), and (9) of section 23C.

''(XV) Section 25 (relating to prohibition against preexisting conditions and probationary periods in replacement policies or certificates).

''(XVI) The provisions of section 26 relating to contingent nonforfeiture benefits, if the policyholder declines the offer of a nonforfeiture provision described in paragraph (4).

''(XVII) Section 29 (relating to standard format outline of coverage).

''(XVIII) Section 30 (relating to requirement to deliver shopper's guide).

''(ii) MODEL ACT.—The following requirements of the model Act:

''(I) Section 6C (relating to preexisting conditions).

''(II) Section 6D (relating to prior hospitalization).

''(III) The provisions of section 8 relating to contingent nonforfeiture benefits.

''(IV) Section 6F (relating to right to return).

''(V) Section 6G (relating to outline of coverage).

''(VI) Section 6H (relating to requirements for certificates under group plans).

''(VII) Section 6J (relating to policy summary).

''(VIII) Section 6K (relating to monthly reports on accelerated death benefits).

''(B) DEFINITIONS.—For purposes of this paragraph—

''(i) MODEL PROVISIONS.—The terms 'model regulation' and 'model Act' mean the long-term care insurance model regulation, and the long-term care insurance model Act, respectively, promulgated by the National Association of Insurance Commissioners (as adopted as of October 2000).

''(ii) COORDINATION.—Any provision of the model regulation or model Act listed under clause (i) or (ii) of subparagraph (A) shall be treated as including any other provision of such regulation or Act necessary to implement the provision.

''(iii) DETERMINATION.—For purposes of this paragraph, the determination of whether any requirement of a model regulation or the model Act has been met shall be made by the Secretary.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection take effect on October 1, 2007, and apply to long-term care insurance policies sold on or after that date.

(b) DEVELOPMENT OF UNIFORM STANDARDS AND RECOMMENDATIONS.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary, in consultation with the National Association of Insurance Commissioners, issuers of long-term care insurance policies, States with experience with long-term care insurance partnership plans, other States, and representatives of consumers of long-term care insurance policies shall develop the uniform standards described in paragraph (2) and submit recommendations to Congress with respect to the issues identified in paragraph (3).

(2) UNIFORM STANDARDS.—The uniform standards described in this paragraph are the following:

(A) RECIPROCITY.—Standards for ensuring that long-term care insurance policies issued under a State long-term care insurance partnership under section 1917(b)(1)(C)(ii) of the Social Security Act (42 U.S.C. 1396p(b)(1)(C)(ii)) (as amended by subsection (a)) are portable to other States with such a partnership.

(B) MINIMUM REPORTING REQUIREMENTS.—Standards for minimum reporting requirements for issuers of long-term care insurance policies under such State long-term care insurance partnerships that shall specify the data and information that each such issuer shall report to the State with which it has such a partnership. The requirements developed in accordance with this subparagraph shall specify the type and format of the data and information to be reported and the frequency with which such reports are to be made.

(C) SUITABILITY.—Suitability standards for determining whether a long-term care insurance policy is appropriate for the needs of an applicant, based on guidance of the National Association of Insurance Commissioners regarding suitability.

(3) RECOMMENDATIONS.—The recommendations described in this paragraph are the following:

(A) INCONTESTABILITY.—Recommendations regarding whether the requirements relating to incontestability for long-term care insurance policies sold under a State long-term care insurance partnership program under section 1917(b)(1)(C)(ii) of the Social Security Act should be modified based on guidance of the National Association of Insurance Commissioners regarding incontestability.

(B) NONFORFEITURE.—Recommendations regarding whether requirements relating to nonforfeiture for issuers of long-term care insurance policies under a State long-term care insurance partnership program under section 1917(b)(1)(C)(ii) of such Act should be modified to reflect changes in an insured's financial circumstances.

(C) INDEPENDENT CERTIFICATION FOR BENEFITS ASSESSMENT.—Recommendations regarding whether uniform standards for requiring benefits assessment evaluations to be conducted by independent entities should be established for issuers of long-term care insurance policies under such a State partnership program and, if so, what such standards should be.

(D) RATING REQUIREMENTS.—Recommendations regarding whether uniform standards for the establishment of, and annual increases in, premiums for long-term care insurance policies sold under such a State partnership program should be established and, if so, what such standards should be.

(E) DISPUTE RESOLUTION.—Recommendations regarding whether uniform standards are needed to ensure fair adjudication of coverage disputes under long-term care insurance policies sold under such a State partnership program and the delivery of the benefits promised under such policies.

(4) STATE REPORTING REQUIREMENTS.—Nothing in paragraph (2)(B) shall be construed as prohibiting a State from requiring an issuer of a long-term care insurance policy sold in the State (regardless of whether the policy is issued under a State long-term care insurance partnership under section 1917(b)(1)(C)(ii) of the Social Security Act) to require the issuer to report information or data to the State that is in addition to the information or data required under the minimum reporting requirements developed under that paragraph.

(c) ANNUAL REPORTS TO CONGRESS.—The Secretary of Health and Human Services shall annually report to Congress on the long-term care insurance partnerships established in accordance with section 1917(b)(1)(C)(ii) of the Social Security Act (42 U.S.C. 1396p(b)(1)(C)(ii)) (as amended by subsection (a)(1)). Such reports shall include analyses of the extent to which such partnerships expand or limit access of individuals to long-term care and the impact of such partnerships on Federal and State expenditures under the Medicare and Medicaid programs.

CHAPTER 3—ELIMINATING FRAUD, WASTE, AND ABUSE IN MEDICAID

SEC. 6021. ENHANCING THIRD PARTY RECOVERY.

(a) CLARIFICATION OF RIGHT OF RECOVERY AGAINST ANY THIRD PARTY LEGALLY RESPONSIBLE FOR PAYMENT OF A CLAIM FOR A HEALTH CARE ITEM OR SERVICE.—Section 1902(a)(25) (42 U.S.C. 1396a(a)(25)) is amended—

(1) in subparagraph (A), in the matter preceding clause (i)—

(A) by inserting '', including self-insured plans'' after ''health insurers''; and

(B) by striking ''and health maintenance organizations'' and inserting ''health maintenance organizations, pharmacy benefit managers, or other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service''; and

(2) in subparagraph (G)—

(A) by inserting ''a self-insured plan,'' after ''1974,''; and

(B) by striking ''and a health maintenance organization'' and inserting ''a health maintenance organization, a pharmacy benefit manager, or other party that is, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service''.

(b) REQUIREMENT FOR THIRD PARTIES TO PROVIDE THE STATE WITH COVERAGE ELIGIBILITY AND CLAIMS DATA.—Section 1902(a)(25) (42 U.S.C. 1396a(a)(25)) is amended—

(1) in subparagraph (G), by striking ''and'' at the end;

(2) in subparagraph (H), by adding ''and'' after the semicolon at the end; and

(3) by inserting after subparagraph (H), the following:

''(I) that the State shall provide assurances satisfactory to the Secretary that the State has in effect laws requiring health insurers, including self-insured plans, group health plans (as defined in section 607(1) of the Employee Retirement Income Security Act of 1974), service benefit plans, health maintenance organizations, pharmacy benefit managers, or other parties that are, by statute, contract, or agreement, legally responsible for payment of a claim for a health care item or service, as a condition of doing business in the State, to—

''(i) provide eligibility and claims payment data with respect to an individual who is eligible for, or is provided, medical assistance under the State plan, upon the request of the State;

''(ii) accept the subrogation of the State to any right of an individual or other entity to payment from the party for an item or service for which payment has been made under the State plan;

''(iii) respond to any inquiry by the State regarding a claim for payment for any health care item or service submitted not later than 3 years after the date of the provision of such health care item or service; and

''(iv) agree not to deny a claim submitted by the State solely on the basis of the date of submission of the claim;''.

(c) EFFECTIVE DATE.—Except as provided in section 6026(e), the amendments made by this section take effect on January 1, 2006.

SEC. 6022. LIMITATION ON USE OF CONTINGENCY FEE ARRANGEMENTS.

(a) IN GENERAL.—Section 1903(i) (42 U.S.C. 1396b(i)), as amended by section 104(b) of the QI, TMA, and Abstinence Programs Extension and Hurricane Katrina Unemployment Relief Act of 2005 (Public Law 109–91), is amended—

(1) in paragraph (19), by adding ''or'' at the end;

(2) by striking the period at the end of paragraph (21) and inserting ''; or''; and

(3) by inserting after paragraph (21), the following:

''(22) with respect to any amount expended in connection with a contract or agreement (other than a risk contract under section 1903(m)) between the State agency under section 1902(a)(5) (or any State or local agency designated by such agency to administer any portion of the State plan under this title) and a consultant or other contractor if the terms of compensation for the consultant or other contractor do not meet the standards established by the Inspector General of the Department of Health and Human Services under section 6022(b) of the Deficit Reduction Omnibus Reconciliation Act of 2005.''.

(b) CONTINGENCY FEE ARRANGEMENT STANDARDS.—Not later than 6 months after the date of enactment of this Act, the Inspector General of the Department of Health and Human Services shall issue standards for the terms of compensation of consultants and other individuals or entities contracting with State agencies (or their designees) administering State Medicaid plans under title XIX of the Social Security Act that ensure prudent purchasing and program integrity with respect to Federal funds. The Inspector General shall annually review and, as necessary, revise such standards to promptly address new compensation arrangements that may present a risk to program integrity under such title.

(c) EFFECTIVE DATE.—Except as provided in section 6026(e), the amendments made by subsection (a) take effect on January 1, 2007.

SEC. 6023. ENCOURAGING THE ENACTMENT OF STATE FALSE CLAIMS ACTS.

(a) IN GENERAL.—Title XIX (42 U.S.C. 1396 et seq.) is amended by inserting after section 1908A the following:

''STATE FALSE CLAIMS ACT REQUIREMENTS FOR INCREASED STATE SHARE OF RECOVERIES

''SEC. 1909. (a) IN GENERAL.—Notwithstanding section 1905(b), if a State has in effect a law relating to false or fraudulent claims that meets the requirements of subsection (b), the Federal medical assistance percentage with respect to any amounts recovered under a State action brought under such law, shall be decreased by 10 percentage points.

''(b) REQUIREMENTS.—For purposes of subsection (a), the requirements of this subsection are that the Inspector General of the Department of Health and Human Services, in consultation with the Attorney General, determines that the State has in effect a law that meets the following requirements:

''(1) The law establishes liability to the State for false or fraudulent claims described in section 3729 of title 31, United States Code, with respect to any expenditure described in section 1903(a).

''(2) The law contains provisions that are at least as effective in rewarding and facilitating qui tam actions for false or fraudulent claims as those described in sections 3730 through 3732 of title 31, United States Code.

''(3) The law contains a requirement for filing an action under seal for 60 days with review by the State Attorney General.

''(4) The law contains a civil penalty that is not less than the amount of the civil penalty authorized under section 3729 of title 31, United States Code.

''(5) The law contains provisions that are designed to prevent a windfall recovery for a qui tam relator in the event that the relator files a Federal and State action for the same false or fraudulent claim.

''(c) DEEMED COMPLIANCE.—A State that, as of January 1, 2007, has a law in effect that meets the requirements of subsection (b) shall be deemed to be in compliance with such requirements for so long as the law continues to meet such requirements.

''(d) NO PRECLUSION OF BROADER LAWS.—Nothing in this section shall be construed as prohibiting a State that has in effect a law that establishes liability to the State for false or fraudulent claims described in section 3729 of title 31, United States Code, with respect to programs in addition to the State program under this title, or with respect to expenditures in addition to expenditures described in section 1903(a), from being considered to be in compliance with the requirements of subsection (a) so long as the law meets such requirements.''.

(b) EFFECTIVE DATE.—Except as provided in section 6026(e), the amendments made by this section take effect on January 1, 2007.

SEC. 6024. EMPLOYEE EDUCATION ABOUT FALSE CLAIMS RECOVERY.

(a) IN GENERAL.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) in paragraph (66), by striking ''and'' at the end;

(2) in paragraph (67) by striking the period at the end and inserting ''; and''; and

(3) by inserting after paragraph (67) the following:

''(68) provide that any entity that receives or makes annual payments under the State plan of at least $1,000,000, as a condition of receiving such payments, shall—

''(A) establish written policies, procedures, and protocols for training of all employees of the entity (including management), and of any contractor or agent of the entity, that includes a detailed discussion of the False Claims Act established under sections 3729 through 3733 of title 31, United States Code, administrative remedies for false claims and statements established under chapter 38 of title 31, United States Code, any State laws pertaining to civil or criminal penalties for false claims and statements, and whistleblower protections under such laws, with respect to the role of such laws in preventing and detecting fraud, waste, and abuse in Federal health care programs (as defined in section 1128B(f));

''(B) include as part of such written policies, procedures, and protocols, detailed provisions and training regarding the entity's policies and procedures for detecting and preventing fraud, waste, and abuse;

''(C) include in any employee handbook for the entity, a specific discussion of the laws described in subparagraph (A), the rights of employees to be protected as whistleblowers, and the entity's policies and procedures for detecting and preventing fraud, waste, and abuse; and

''(D) require mandatory training for all employees of the entity and of any contractor or agent of the entity, at the time of hiring, with respect to the laws described in subparagraph (A) (including the whistleblower protections under such laws) and the entity's policies and procedures for detecting fraud, waste, and abuse.''.

(b) EFFECTIVE DATE.—Except as provided in section 6026(e), the amendments made by subsection (a) take effect on January 1, 2007.

SEC. 6025. PROHIBITION ON RESTOCKING AND DOUBLE BILLING OF PRESCRIPTION DRUGS.

(a) IN GENERAL.—Section 1903(i)(10) (42 U.S.C. 1396b(i)), as amended by section 6004(b), is amended—

(1) in subparagraph (C), by striking ''and'' at the end;

(2) in subparagraph (D), by striking ''; or'' at the end and inserting '', and''; and

(3) by adding at the end the following:

''(E) with respect to any amount expended for reimbursement to a pharmacy under this title for the ingredient cost of a covered outpatient drug for which the pharmacy has already received payment under this title (other than with respect to a reasonable restocking fee for such drug); or''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the first day of the first fiscal year quarter that begins after the date of enactment of this Act.

SEC. 6026. MEDICAID INTEGRITY PROGRAM.

(a) ESTABLISHMENT OF MEDICAID INTEGRITY PROGRAM; MEDICAID CFO; MEDICAID PROGRAM INTEGRITY OVERSIGHT BOARD.—Title XIX (42 U.S.C. 1396 et seq.) is amended—

(1) by redesignating section 1936 as section 1938; and

(2) by inserting after section 1935 the following:

''MEDICAID INTEGRITY PROGRAM

''SEC. 1936. (a) IN GENERAL.—There is hereby established the Medicaid Integrity Program (in this section referred to as the 'Program') under which the Secretary shall promote the integrity of the program under this title by entering into contracts in accordance with this section with eligible entities to carry out the activities described in subsection (b).

''(b) ACTIVITIES DESCRIBED—Activities described in this subsection are as follows:

''(1) Review of the actions of individuals or entities furnishing items or services (whether on a fee-for-service, risk, or other basis) for which payment may be made under a State plan approved under this title (or under any waiver of such plan approved under section 1115) to determine whether fraud, waste, or abuse has occurred, is likely to occur, or whether such actions have any potential for resulting in an expenditure of funds under this title in a manner which is not intended under the provisions of this title.

''(2) Audit of claims for payment for items or services furnished, or administrative services rendered, under a State plan under this title, including—

''(A) cost reports;

''(B) consulting contracts; and

''(C) risk contracts under section 1903(m).

''(3) Identification and recovery of overpayments to individuals or entities receiving Federal funds under this title.

''(4) Education of providers of services, managed care entities, beneficiaries, and other individuals with respect to payment integrity and benefit quality assurance issues.

''(c) ELIGIBLE ENTITY AND CONTRACTING REQUIREMENTS.—

''(1) IN GENERAL.—An entity is eligible to enter into a contract under the Program to carry out any of the activities described in subsection (b) if the entity satisfies the requirements of paragraphs (2) and (3).

''(2) ELIGIBILITY REQUIREMENTS.—The requirements of this paragraph are the following:

''(A) The entity has demonstrated capability to carry out the activities described in subsection (b).

''(B) In carrying out such activities, the entity agrees to cooperate with the Inspector General of the Department of Health and Human Services, the Attorney General, and other law enforcement agencies, as appropriate, in the investigation and deterrence of fraud and abuse in relation to this title and in other cases arising out of such activities.

''(C) The entity complies with such conflict of interest standards as are generally applicable to Federal acquisition and procurement.

''(D) The entity meets such other requirements as the Secretary may impose.

''(3) CONTRACTING REQUIREMENTS.—The entity has contracted with the Secretary in accordance with such procedures as the Secretary shall by regulation establish, except that such procedures shall include the following:

''(A) Procedures for identifying, evaluating, and resolving organizational conflicts of interest that are generally applicable to Federal acquisition and procurement.

''(B) Competitive procedures to be used—

''(i) when entering into new contracts under this section;

''(ii) when entering into contracts that may result in the elimination of responsibilities under section 202(b) of the Health Insurance Portability and Accountability Act of 1996; and

''(iii) at any other time considered appropriate by the Secretary.

''(C) Procedures under which a contract under this section may be renewed without regard to any provision of law requiring competition if the contractor has met or exceeded the performance requirements established in the current contract.

The Secretary may enter into such contracts without regard to final rules having been promulgated.

''(4) LIMITATION ON CONTRACTOR LIABILITY.—The Secretary shall by regulation provide for the limitation of a contractor's liability for actions taken to carry out a contract under the Program, and such regulation shall, to the extent the Secretary finds appropriate, employ the same or comparable standards and other substantive and procedural provisions as are contained in section 1157.

''(d) COMPREHENSIVE PLAN FOR PROGRAM INTEGRITY.—

''(1) 5-YEAR PLAN.—With respect to the 5 fiscal year period beginning with fiscal year

2006, and each such 5-fiscal year period that begins thereafter, the Secretary shall establish a comprehensive plan for ensuring the integrity of the program established under this title by combatting fraud, waste, and abuse.

''(2) CONSULTATION.—Each 5-fiscal year plan established under paragraph (1) shall be developed by the Secretary in consultation with the Attorney General, the Director of the Federal Bureau of Investigation, the Comptroller General of the United States, the Inspector General of the Department of Health and Human Services, and State officials with responsibility for controlling provider fraud and abuse under State plans under this title.

''(e) APPROPRIATION.—

''(1) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to carry out the Medicaid Integrity Program under this section, without further appropriation—

''(A) for fiscal year 2006, $50,000,000;

''(B) for each of fiscal years 2007 and 2008, $49,000,000;

''(C) for each of fiscal years 2009 and 2010, $74,000,000; and

''(D) for fiscal year 2011 and each fiscal year thereafter, $75,000,000.

''(2) AVAILABILITY.—Amounts appropriated pursuant to paragraph (1) shall remain available until expended.

''(3) ANNUAL REPORT.—Not later than 180 days after the end of each fiscal year (beginning with fiscal year 2006), the Secretary shall submit a report to Congress which identifies—

''(A) the use of funds appropriated pursuant to paragraph (1); and

''(B) the effectiveness of the use of such funds.''.

''MEDICAID CHIEF FINANCIAL OFFICER; MEDICAID PROGRAM INTEGRITY OVERSIGHT BOARD

''SEC. 1937. (a) ESTABLISHMENT OF MEDICAID CFO.—

''(1) IN GENERAL.—There is established in the Centers for Medicare & Medicaid Services within the Office of Financial Management the position of Medicaid Chief Financial Officer. The Medicaid Chief Financial Officer shall be appointed by, and report directly to, the Administrator of such Centers. The Medicaid Chief Financial Officer may be removed only for cause.

''(2) DUTIES AND AUTHORITY.—The duties and authority of the Medicaid Chief Financial Officer with respect to the management and expenditure of Federal funds under this title shall be comparable to the duties and authority of other Chief Financial Officers with respect to the management and expenditure of Federal funds under Federal health care programs (as defined in section 1128B(f)).

''(b) PROGRAM INTEGRITY OVERSIGHT BOARD.—The Secretary shall establish a Medicaid Program Integrity Oversight Board. The duties and authority of the Medicaid Program Integrity Oversight Board shall be comparable to the duties and authority of other oversight boards established for purposes of Federal health care programs (as so defined) and shall include responsibility for identifying vulnerabilities in the State programs established under this title and developing strategies for minimizing integrity risks to such programs.''.

(b) STATE REQUIREMENT TO COOPERATE WITH INTEGRITY PROGRAM EFFORTS.—Section 1902(a) (42 U.S.C. 1396a(a)), as amended by section 6024(a), is amended—

(1) in paragraph (67), by striking ''and'' at the end;

(2) in paragraph (68), by striking the period at the end and inserting ''; and''; and

(3) by inserting after paragraph (68), the following:

''(69) provide that the State must comply with any requirements determined by the Secretary to be necessary for carrying out the Medicaid Integrity Program established under section 1936, or the duties of the Medicaid Chief Financial Officer and the Medicaid Program Integrity Oversight Board established under section 1937.''.

(c) INCREASED FUNDING FOR MEDICAID FRAUD AND ABUSE CONTROL ACTIVITIES.—

(1) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Office of the Inspector General of the Department of Health and Human Services, without further appropriation, $25,000,000 for each of fiscal years 2006 through 2010, for activities of such Office with respect to the Medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(2) AVAILABILITY; AMOUNTS IN ADDITION TO OTHER AMOUNTS APPROPRIATED FOR SUCH ACTIVITIES.—Amounts appropriated pursuant to paragraph (1) shall—

(A) remain available until expended; and

(B) be in addition to any other amounts appropriated or made available to the Office of the Inspector General of the Department of Health and Human Services for activities of such Office with respect to the Medicaid program.

(3) ANNUAL REPORT.—Not later than 180 days after the end of each fiscal year (beginning with fiscal year 2006), the Inspector General of the Department of Health and Human Services shall submit a report to Congress which identifies—

(A) the use of funds appropriated pursuant to paragraph (1); and

(B) the effectiveness of the use of such funds.

(d) INCREASE IN CMS STAFFING DEVOTED TO ENSURING MEDICAID PROGRAM INTEGRITY.—The Secretary shall significantly increase the number of full-time equivalent employees whose duties consist solely of ensuring the integrity of the Medicaid program established under title XIX of the Social Security Act by providing effective support and assistance to States to combat provider fraud and abuse.

(e) DELAYED EFFECTIVE DATE FOR CHAPTER.—in the case of a State plan under title XIX of the Social Security Act which the Secretary determines requires State legislation in order for the plan to meet the additional requirements imposed by the amendments made by a provision of this chapter, the State plan shall not be regarded as failing to comply with the requirements of such Act solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of the session shall be considered to be a separate regular session of the State legislature.

CHAPTER 4—STATE FINANCING UNDER MEDICAID

SEC. 6031. REFORMS OF TARGETED CASE MANAGEMENT.

(a) IN GENERAL.—Section 1915(g) (42 U.S.C. 1396n(g)(2)) is amended by striking paragraph (2) and inserting the following:

''(2) For purposes of this subsection:

''(A)(i) The term 'case management services' means services which will assist individuals eligible under the plan in gaining access to needed medical, social, educational, and other services.

''(ii) Such term includes the following:

''(I) Assessment of an eligible individual to determine service needs, including activities that focus on needs identification, to determine the need for any medical, educational, social, or other services. Such assessment activities include the following:

''(aa) Taking client history.

''(bb) Identifying the needs of the individual, and completing related documentation.

''(cc) Gathering information from other sources such as family members, medical providers, social workers, and educators, if necessary, to form a complete assessment of the eligible individual.

''(II) Development of a specific care plan based on the information collected through an assessment, that specifies the goals and actions to address the medical, social, educational, and other services needed by the eligible individual, including activities such as ensuring the active participation of the eligible individual and working with the individual (or the individual's authorized health care decision maker) and others to develop such goals and identify a course of action to respond to the assessed needs of the eligible individual.

''(III) Referral and related activities to help an individual obtain needed services, including activities that help link eligible individuals with medical, social, educational providers or other programs and services that are capable of providing needed services, such as making referrals to providers for needed services and scheduling appointments for the individual.

''(IV) Monitoring and followup activities, including activities and contacts that are necessary to ensure the care plan is effectively implemented and adequately addressing the needs of the eligible individual, and which may be with the individual, family members, providers, or other entities and conducted as frequently as necessary to help determine such matters as—

''(aa) whether services are being furnished in accordance with an individual's care plan;

''(bb) whether the services in the care plan are adequate; and

''(cc) whether there are changes in the needs or status of the eligible individual, and if so, making necessary adjustments in the care plan and service arrangements with providers.

''(iii) Such term does not include the direct delivery of an underlying medical, educational, social, or other service to which an eligible individual has been referred, including, with respect to the direct delivery of foster care services, services such as (but not limited to) the following:

''(I) Research gathering and completion of documentation required by the foster care program.

''(II) Assessing adoption placements.

''(III) Recruiting or interviewing potential foster care parents.

''(IV) Serving legal papers.

''(V) Home investigations.

''(VI) Providing transportation.

''(VII) Administering foster care subsidies.

''(VIII) Making placement arrangements.

''(B) The term 'targeted case management services' are case management services that are furnished without regard to the requirements of section 1902(a)(1) and section 1902(a)(10)(B) to specific classes of individuals or to individuals who reside in specified areas.

''(3) With respect to contacts with individuals who are not eligible for medical assistance under the State plan or, in the case of targeted case management services, individuals who are eligible for such assistance but are not part of the target population specified in the State plan, such contacts—

''(A) are considered an allowable case management activity, when the purpose of the

contact is directly related to the management of the eligible individual's care; and

''(B) are not considered an allowable case management activity if such contacts relate directly to the identification and management of the noneligible or nontargeted individual's needs and care.

''(4)(A) In accordance with section 1902(a)(25), Federal financial participation only is available under this title for case management services or targeted case management services if there are no other third parties liable to pay for such services, including as reimbursement under a medical, social, educational, or other program.

''(B) A State shall allocate the costs of any part of such services which are reimbursable under another federally funded program in accordance with OMB Circular A–87 (or any related or successor guidance or regulations regarding allocation of costs among federally funded programs) under an approved cost allocation program.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on January 1, 2006.

SEC. 6032. TEMPORARY FEDERAL MATCHING PAYMENTS FOR FEDERAL ASSISTANCE.

(a) 100 PERCENT FEDERAL MATCHING PAYMENTS FOR MEDICAL ASSISTANCE PROVIDED TO SPECIFIED INDIVIDUALS.—

(1) IN GENERAL.—Notwithstanding section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)), for items and services furnished during the period that begins on August 28, 2005, and ends on May 15, 2006, the Federal medical assistance percentage for providing medical assistance for such items and services under a State Medicaid plan to a specified individual (as defined in subsection (b)), and for costs directly attributable to all administrative activities that relate to the provision of such medical assistance, shall be 100 percent.

(2) APPLICATION TO CHILD HEALTH ASSISTANCE.—Notwithstanding section 2105(b) of the Social Security Act (42 U.S.C. 1397ee(b)), for items and services furnished during the period described in paragraph (1), the Federal matching rate for providing child health assistance for such items and services under a State child health plan to a specified individual (as so defined), and for costs directly attributable to all administrative activities that relate to the provision of such child health assistance, shall be 100 percent.

(b) SPECIFIED INDIVIDUAL.—

(1) IN GENERAL.—For purposes of subsection (a), the term ''specified individual'' means an individual who, on any day during the week preceding August 28, 2005, had a primary residence in a Louisiana parish described in paragraph (2), a Mississippi county described in paragraph (3), or an Alabama county described in paragraph (4).

(2) LOUISIANA PARISHES DESCRIBED.—For purposes of paragraph (1), the Louisiana parishes described in this paragraph are the following:

(A) Acadia.
(B) Ascension.
(C) Assumption.
(D) Calcasieu.
(E) Cameron.
(F) East Baton Rouge.
(G) East Feliciana.
(H) Iberia.
(I) Iberville.
(J) Jefferson.
(K) Jefferson Davis.
(L) Lafayette.
(M) Lafourche.
(N) Livingston.
(O) Orleans.
(P) Pointe Coupee.
(Q) Plaquemines.
(R) St. Bernard.
(S) St. Charles.
(T) St. Helena.
(U) St. James.
(V) St. John.
(W) St. Mary.
(X) St. Martin.
(Y) St. Tammany.
(Z) Tangipahoa.
(AA) Terrebonne.
(BB) Vermilion.
(CC) Washington.
(DD) West Baton Rouge.
(EE) West Feliciana.

(3) MISSISSIPPI COUNTIES DESCRIBED.—For purposes of paragraph (1), the Mississippi counties described in this paragraph are the following:

(A) Adams.
(B) Amite.
(C) Attala.
(D) Clairborne.
(E) Choctaw.
(F) Clarke.
(G) Copiah.
(H) Covington.
(I) Forrest.
(J) Franklin.
(K) George.
(L) Greene.
(M) Hancock.
(N) Harrison.
(O) Hinds.
(P) Jackson.
(Q) Jasper.
(R) Jefferson.
(S) Jefferson Davis.
(T) Jones.
(U) Kemper.
(V) Lamar.
(W) Lauderdale.
(X) Lawrence.
(Y) Leake.
(Z) Lincoln.
(AA) Lowndes.
(BB) Madison.
(CC) Marion.
(DD) Neshoba.
(EE) Newton.
(FF) Noxubee.
(GG) Oktibbeha.
(HH) Pearl River.
(II) Perry.
(JJ) Pike.
(KK) Rankin.
(LL) Scott.
(MM) Simpson.
(NN) Smith.
(OO) Stone.
(PP) Walthall.
(QQ) Warren.
(RR) Wayne.
(SS) Wilkinson.
(TT) Winston.
(UU) Yazoo.

(4) ALABAMA COUNTIES DESCRIBED.—For purposes of paragraph (1) the Alabama counties described in this paragraph are the following:

(A) Baldwin.
(B) Choctaw.
(C) Clarke.
(D) Greene.
(E) Hale.
(F) Marengo.
(G) Mobile.
(H) Pickens.
(I) Sumter.
(J) Tuscaloosa.
(K) Washington.

(c) FMAP ADJUSTMENT.—Notwithstanding the first sentence of section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)), if, for purposes of titles XIX and XXI of the Social Security Act (42 U.S.C. 1396 et seq., 1397aa et seq.), the Federal medical assistance percentage determined for Alaska for fiscal year 2006 or fiscal year 2007 is less than the Federal medical assistance percentage determined for Alaska for fiscal year 2005, the Federal medical assistance percentage determined for Alaska for fiscal year 2005 shall be substituted for the Federal medical assistance percentage otherwise determined for Alaska for fiscal year 2006 or fiscal year 2007, as the case may be.

SEC. 6033. MANAGED CARE ORGANIZATION PROVIDER TAX REFORM.

(a) IN GENERAL.—Section 1903(w)(7)(A)(viii) (42 U.S.C. 1396b(w)(7)(A)(viii)) is amended to read as follows:

''(viii) Services of managed care organizations (including health maintenance organizations, preferred provider organizations, and such other similar organizations as the Secretary may specify by regulation).''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall take effect on January 1, 2006.

(2) NONAPPLICATION.—The amendment made by subsection (a) shall not apply in the case of a State that, as of December 31, 2005, has in effect a tax imposed on the class of health care items and services described in section 1903(w)(7)(A)(viii) of the Social Security Act (42 U.S.C. 1396b(w)(7)(A)(viii)) (as in effect before the date of enactment of this Act).

SEC. 6034. INCLUSION OF PODIATRISTS AS PHYSICIANS.

(a) IN GENERAL.—Section 1905(a)(5)(A) (42 U.S.C. 1396d(a)(5)(A)) is amended by striking ''section 1861(r)(1)'' and inserting ''paragraphs (1) and (3) of section 1861(r)''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to services furnished on or after January 1, 2006.

SEC. 6035. DSH ALLOTMENT FOR THE DISTRICT OF COLUMBIA.

(a) IN GENERAL.—The table in section 1923(f)(2) (42 U.S.C. 1396r–4(f)(2)) is amended under each of the columns for FY 00, FY 01, and FY 02, in the entry for the District of Columbia, by striking ''32'' and inserting ''49''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if enacted on October 1, 2005 and shall apply to expenditures made on or after that date.

SEC. 6036. DEMONSTRATION PROJECT REGARDING MEDICAID REIMBURSEMENT FOR STABILIZATION OF EMERGENCY MEDICAL CONDITIONS BY NON-PUBLICLY OWNED OR OPERATED INSTITUTIONS FOR MENTAL DISEASES.

(a) AUTHORITY TO CONDUCT DEMONSTRATION PROJECT.—The Secretary shall establish a demonstration project under which an eligible State (as defined in subsection (b)) shall provide reimbursement under the State medicaid plan to an institution for mental diseases that is not publicly owned or operated and that is subject to the requirements of section 1867 of the Social Security Act (42 U.S.C, 1395dd) for the provision of medical assistance available under such plan to an individual who—

(1) has attained age 21, but has not attained age 65;

(2) is eligible for medical assistance under such plan; and

(3) requires such medical assistance to stabilize an emergency medical condition.

(b) ELIGIBLE STATE DEFINED.—

(1) APPLICATION.—Upon approval of an application submitted by a State described in paragraph (2), the State shall be an eligible State for purposes of conducting a demonstration project under this section.

(2) STATE DESCRIBED.—A State described in this paragraph is each of the following:

(A) Arizona.
(B) Arkansas.
(C) Louisiana.
(D) Maine.
(E) North Dakota.

(F) Wyoming.

(G) Four other States selected by the Secretary to provide geographic diversity on the basis of the application to conduct a demonstration project under this section submitted by such States.

(c) LENGTH OF DEMONSTRATION PROJECT.—The demonstration project established under this section shall be conducted for a period of 3 consecutive years.

(d) LIMITATIONS ON FEDERAL FUNDING.—

(1) APPROPRIATION.—

(A) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to carry out this section, $30,000,000 for fiscal year 2006.

(B) BUDGET AUTHORITY.—Subparagraph (A) constitutes budget authority in advance of appropriations Act and represents the obligation of the Federal Government to provide for the payment of the amounts appropriated under that subparagraph.

(2) 3-YEAR AVAILABILITY.—Funds appropriated under paragraph (1) shall remain available for obligation through December 31, 2008.

(3) LIMITATION ON PAYMENTS.—In no case may—

(A) the aggregate amount of payments made by the Secretary to eligible States under this section exceed $30,000,000; or

(B) payments be provided by the Secretary under this section after December 31, 2008.

(4) FUNDS ALLOCATED TO STATES.—The Secretary shall allocate funds to eligible States based on their applications and the availability of funds.

(5) PAYMENTS TO STATES.—The Secretary shall pay to each eligible State, from its allocation under paragraph (4), an amount each quarter equal to the Federal medical assistance percentage of expenditures in the quarter for medical assistance described in subsection (a).

(e) REPORTS.—

(1) ANNUAL PROGRESS REPORTS.—The Secretary shall submit annual reports to Congress on the progress of the demonstration project conducted under this section.

(2) FINAL REPORT AND RECOMMENDATION.—Not later than March 31, 2009, the Secretary shall submit to Congress a final report on the demonstration project conducted under this section that shall include the following:

(A) A determination as to whether the demonstration project resulted in increased access to inpatient mental health services under the medicaid program.

(B) An analysis regarding whether the demonstration project produced a significant reduction in the use of higher cost emergency room visits for individuals eligible for medical assistance under the medicaid program.

(C) An assessment of the impact of the demonstration project on the costs related to the provision of inpatient psychiatric care and services under the medicaid program.

(D) A recommendation regarding whether the demonstration project should be continued after December 31, 2008, and expanded on a national basis.

(f) WAIVER AUTHORITY.—

(1) IN GENERAL.—The Secretary shall waive the limitation of subdivision (B) following paragraph (28) of section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)) (relating to limitations on payments for care or services for individuals under 65 years of age who are patients in an institution for mental diseases) for purposes of carrying out the demonstration project under this section.

(2) LIMITED OTHER WAIVER AUTHORITY.—The Secretary may waive other requirements of titles XI and XIX of the Social Security Act (including the requirements of sections 1902(a)(1) (relating to statewideness) and 1902(a)(10)(B) (relating to comparability)) only to extent necessary to carry out the demonstration project under this section.

(g) DEFINITIONS.—In this section:

(1) EMERGENCY MEDICAL CONDITION.—The term ''emergency medical condition'' has the meaning given that term in section 1867(e)(1) of the Social Security Act (42 U.S.C. 1395dd(e)(1)).

(2) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term ''Federal medical assistance percentage'' has the meaning given that term with respect to a State in section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)).

(3) INSTITUTION FOR MENTAL DISEASES.—The term ''institution for mental diseases'' has the meaning given that term in section 1905(i) of the Social Security Act (42 U.S.C. 1396d(i)).

(4) MEDICAL ASSISTANCE.—The term ''medical assistance'' has the meaning given that term in section 1905(a) of the Social Security Act (42 U.S.C. 1396d(a)).

(5) STABILIZE.—The term ''stabilize'' has the meaning given that term in section 1867(e)(3)(A) of the Social Security Act (42 U.S..C 1395dd(e)(3)(A)).

(6) STATE.—The term ''State'' has the meaning given that term for purposes of title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

SEC. 6037. LIMITATION ON SEVERE REDUCTION IN THE MEDICAID FMAP FOR FISCAL YEAR 2006.

(a) LIMITATION ON REDUCTION.—In no case shall the FMAP for a State for fiscal year 2006 be less than the greater of the following:

(1) 2005 FMAP DECREASED BY THE APPLICABLE PERCENTAGE POINTS.—The FMAP determined for the State for fiscal year 2005, decreased by—

(A) 0.1 percentage points in the case of Delaware and Michigan;

(B) 0.3 percentage points in the case of Kentucky; and

(C) 0.5 percentage points in the case of any other State.

(2) COMPUTATION WITHOUT RETROACTIVE APPLICATION OF REBENCHMARKED PER CAPITA INCOME.—The FMAP that would have been determined for the State for fiscal year 2006 if the per capita incomes for 2001 and 2002 that was used to determine the FMAP for the State for fiscal year 2005 were used.

(b) SCOPE OF APPLICATION.—The FMAP applicable to a State for fiscal year 2006 after the application of subsection (a) shall apply only for purposes of titles XIX and XXI of the Social Security Act (including for purposes of making disproportionate share hospital payments described in section 1923 of such Act (42 U.S.C. 1396r–4) and payments under such titles that are based on the enhanced FMAP described in section 2105(b) of such Act (42 U.S.C. 1397ee(b))) and shall not apply with respect to payments under title IV of such Act (42 U.S.C. 601 et seq.).

(c) DEFINITIONS.—In this section:

(1) FMAP.—The term ''FMAP'' means the Federal medical assistance percentage, as defined in section 1905(b) of the Social Security Act (42 U.S.C. 1396d(b)).

(2) STATE.—The term ''State'' has the meaning given such term for purposes of title XIX of the Social Security Act (42 U.S.C. 1396 et seq.).

(d) REPEAL.—Effective as of October 1, 2006, this section is repealed and shall not apply to any fiscal year after fiscal year 2006.

SEC. 6038. EXTENSION OF PRESCRIPTION DRUG REBATES TO ENROLLEES IN MEDICAID MANAGED CARE ORGANIZATIONS.

(a) IN GENERAL.—Section 1927(j)(1) (42 U.S.C. 1396r–8(j)(1)) is amended by striking ''dispensed'' and all that follows through the period and inserting ''are not subject to the requirements of this section if such drugs are—

''(A) dispensed by health maintenance organizations that contract under section 1903(m); and

''(B) subject to discounts under section 340B of the Public Health Service Act (42 U.S.C. 256b).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect on the date of enactment of this Act and apply to rebate agreements entered into or renewed under section 1927 of the Social Security Act (42 U.S.C. 1396r–8) on or after such date.

SEC. 6039. EXTENSION OF THE MEDICARE PART A AND B PAYMENT HOLIDAY.

Section 6112(b)(1) of this Act is amended by striking ''September 22, 2006'' and inserting ''September 21, 2006''.

SEC. 6039A. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate makes the following findings:

(1) On October 26, 2005, the Committee on Ways and Means of the United States House of Representatives approved a budget reconciliation package that would significantly reduce the Federal Government's funding used to pay for the child support program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) and would restrict the ability of States to use Federal child support incentive payments for child support program expenditures that are eligible for Federal matching payments.

(2) The child support program enforces the responsibility of non-custodial parents to support their children. The program is jointly funded by Federal, State and local governments.

(3) The Office of Management and Budget gave the child support program a 90 percent rating under the Program Assessment Rating Tool (PART), making it the highest performing social services program.

(4) The President's 2006 budget cites the child support program as ''one of the highest rated block/formula grants of all reviewed programs government-wide. This high rating is due to its strong mission, effective management, and demonstration of measurable progress toward meeting annual and long term performance measures.''

(5) In 2004, the child support program spent $5,300,000,000 to collect $21,900,000,000 in support payments. Public investment in the child support program provides more than a four-fold return, collecting $4.38 in child support for every Federal and State dollar that the program spends.

(6) In 2004, 17,300,000 children, or 60 percent of all children living apart from a parent, received child support services through the program. The percentage is higher for poor children—84 percent of poor children living apart from their parent receive child support services through the program. Families assisted by the child support program generally have low or moderate incomes.

(7) Children who receive child support from their parents do better in school than those that do not receive support payments. Older children with child support payments are more likely to finish high school and attend college.

(8) The child support program directly decreases the costs of other public assistance programs by increasing family self-sufficiency. The more effective the child support program in a State, the higher the savings in public assistance costs.

(9) Child support helps lift more than 1,000,000 Americans out of poverty each year.

(10) Families that are former recipients of assistance under the temporary assistance for needy families program (TANF) have seen the greatest increase in child support payments. Collections for these families increased 94 percent between 1999 and 2004,

even though the number of former TANF families did not increase during this period.

(11) Families that receive child support are more likely to find and hold jobs, and less likely to be poor than comparable families without child support.

(12) The child support program saved costs in the TANF, Medicaid, Food Stamps, Supplemental Security Income, and subsidized housing programs.

(13) The Congressional Budget Office estimates that the funding cuts proposed by the Committee on Ways and Means of the House of Representatives would reduce child support collections by nearly $7,900,000,000 in the next 5 years and $24,100,000,000 in the next 10 years.

(14) That National Governor's Association has stated that such cuts are unduly burdensome and will force States to reevaluate several services that make the child support program so effective.

(15) The Federal Government has a moral responsibility to ensure that parents who do not live with their children meet their financial support obligations for those children.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Senate will not accept any reduction in funding for the child support program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.), or any restrictions on the ability of States to use Federal child support incentive payments for child support program expenditures that are eligible for Federal matching payments, during this Congress.

SEC. 6039B. AUTHORITY TO CONTINUE PROVIDING CERTAIN ADULT DAY HEALTH CARE SERVICES OR MEDICAL ADULT DAY CARE SERVICES.

The Secretary shall not—

(1) withhold, suspend, disallow, or otherwise deny Federal financial participation under section 1903(a) of the Social Security Act (42 U.S.C. 1396b(a)) for adult day health care services or medical adult day care services, as defined under a State medicaid plan approved on or before 1982, if such services are provided consistent with such definition and the requirements of such plan; or

(2) withdraw Federal approval of any such State plan or part thereof regarding the provision of such services.

SEC. 6039C. DEMONSTRATION PROJECT REGARDING MEDICAID COVERAGE OF LOW-INCOME HIV-INFECTED INDIVIDUALS.

(a) REQUIREMENT TO CONDUCT DEMONSTRATION PROJECT.—

(1) IN GENERAL.—The Secretary shall establish a demonstration project under which a State may apply under section 1115 of the Social Security Act (42 U.S.C. 1315) to provide medical assistance under a State medicaid program to HIV-infected individuals described in subsection (b) in accordance with the provisions of this section.

(2) LIMITATION ON NUMBER OF APPROVED APPLICATIONS.—The Secretary shall only approve as many State applications to provide medical assistance in accordance with this section as will not exceed the limitation on aggregate payments under subsection (d)(2)(A).

(3) AUTHORITY TO WAIVE RESTRICTIONS ON PAYMENTS TO TERRITORIES.—The Secretary shall waive the limitations on payment under subsections (f) and (g) of section 1108 of the Social Security Act (42 U.S.C. 1308) in the case of a State that is subject to such limitations and submits an approved application to provide medical assistance in accordance with this section.

(b) HIV-INFECTED INDIVIDUALS DESCRIBED.—For purposes of subsection (a), HIV-infected individuals described in this subsection are individuals who are not described in section 1902(a)(10)(A)(i) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(i))—

(1) who have HIV infection;

(2) whose income (as determined under the State Medicaid plan with respect to disabled individuals) does not exceed 200 percent of the poverty line (as defined in section 2110(c)(5) of the Social Security Act (42 U.S.C. 1397jj(c)(5)); and

(3) whose resources (as determined under the State Medicaid plan with respect to disabled individuals) do not exceed the maximum amount of resources a disabled individual described in section 1902(a)(10)(A)(i) of such Act may have and obtain medical assistance under such plan.

(c) LENGTH OF PERIOD FOR PROVISION OF MEDICAL ASSISTANCE.—A State shall not be approved to provide medical assistance to an HIV-infected individual in accordance with the demonstration project established under this section for a period of more than 5 consecutive years.

(d) LIMITATIONS ON FEDERAL FUNDING.—

(1) APPROPRIATION.—

(A) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, there is appropriated to carry out this section, $450,000,000 for the period of fiscal years 2006 through 2010.

(B) BUDGET AUTHORITY.—Subparagraph (A) constitutes budget authority in advance of appropriations Act and represents the obligation of the Federal Government to provide for the payment of the amounts appropriated under that subparagraph.

(2) LIMITATION ON PAYMENTS.—In no case may—

(A) the aggregate amount of payments made by the Secretary to eligible States under this section exceed $450,000,000; or

(B) payments be provided by the Secretary under this section after September 30, 2010.

(3) FUNDS ALLOCATED TO STATES.—The Secretary shall allocate funds to States with approved applications under this section based on their applications and the availability of funds.

(4) PAYMENTS TO STATES.—The Secretary shall pay to each State, from its allocation under paragraph (3), an amount each quarter equal to the enhanced Federal medical assistance percentage described in section 2105(b) of the Social Security Act (42 U.S.C. 1397ee(b)) of expenditures in the quarter for medical assistance provided to HIV-infected individuals who are eligible for such assistance under a State Medicaid program in accordance with the demonstration project established under this section.

(e) EVALUATION AND REPORT.—

(1) EVALUATION.—The Secretary shall conduct an evaluation of the demonstration project established under this section. Such evaluation shall include an analysis of the cost-effectiveness of the project and the impact of the project on the Medicare, Medicaid, and Supplemental Security Income programs established under titles XVIII, XIX, and XVI, respectively, of the Social Security Act (42 U.S.C. 1395 et seq., 1396 et seq., 1381 et seq.).

(2) REPORT TO CONGRESS.—Not later than December 31, 2010, the Secretary shall submit a report to Congress on the results of the evaluation of the demonstration project established under this section.

(f) EFFECTIVE DATE.—This section shall take effect on January 1, 2006.

SEC. 6039D. ADDITIONAL INCREASE IN REBATE FOR SINGLE SOURCE AND INNOVATOR MULTIPLE SOURCE DRUGS.

Section 1927(c)(1)(B)(i)(VI) (42 U.S.C. 1396r–8(c)(1)(B)(i)(VI)), as added by section 6002(a)(3), is amended by striking ''17'' and inserting ''17.8''.

CHAPTER 5—IMPROVING THE MEDICAID AND STATE CHILDREN'S HEALTH INSURANCE PROGRAMS

Subchapter A—Family Opportunity Act

SEC. 6041. SHORT TITLE OF SUBCHAPTER.

This subchapter may be cited as the ''Family Opportunity Act of 2005'' or the ''Dylan Lee James Act''.

SEC. 6042. OPPORTUNITY FOR FAMILIES OF DISABLED CHILDREN TO PURCHASE MEDICAID COVERAGE FOR SUCH CHILDREN.

(a) STATE OPTION TO ALLOW FAMILIES OF DISABLED CHILDREN TO PURCHASE MEDICAID COVERAGE FOR SUCH CHILDREN.—

(1) IN GENERAL.—Section 1902 (42 U.S.C. 1396a) is amended—

(A) in subsection (a)(10)(A)(ii)—

(i) by striking ''or'' at the end of subclause (XVII);

(ii) by adding ''or'' at the end of subclause (XVIII); and

(iii) by adding at the end the following new subclause:

''(XIX) who are disabled children described in subsection (cc)(1);''; and

(B) by adding at the end the following new subsection:

''(cc)(1) Individuals described in this paragraph are individuals—

''(A) who are children who have not attained 19 years of age and are born—

''(i) on or after January 1, 2002 (or, at the option of a State, on or after an earlier date), in the case of the second, third, and fourth quarters of fiscal year 2008;

''(ii) on or after October 1, 1996 (or, at the option of a State, on or after an earlier date), in the case of each quarter of fiscal year 2009; and

''(iii) after October 1, 1990, in the case of each quarter of fiscal year 2010 and each quarter of any fiscal year thereafter;

''(B) who would be considered disabled under section 1614(a)(3)(C) but for having earnings or deemed income or resources (as determined under title XVI for children) that exceed the requirements for receipt of supplemental security income benefits; and

''(C) whose family income does not exceed such income level as the State establishes and does not exceed—

''(i) 300 percent of the poverty line (as defined in section 2110(c)(5)) applicable to a family of the size involved; or

''(ii) such higher percent of such poverty line as a State may establish, except that—

''(I) any medical assistance provided to an individual whose family income exceeds 300 percent of such poverty line may only be provided with State funds; and

''(II) no Federal financial participation shall be provided under section 1903(a) for any medical assistance provided to such an individual.''.

(2) INTERACTION WITH EMPLOYER-SPONSORED FAMILY COVERAGE.—Section 1902(cc) (42 U.S.C. 1396a(cc)), as added by paragraph (1)(B), is amended by adding at the end the following new paragraph:

''(2)(A) If an employer of a parent of an individual described in paragraph (1) offers family coverage under a group health plan (as defined in section 2791(a) of the Public Health Service Act), the State shall—

''(i) require such parent to apply for, enroll in, and pay premiums for such coverage as a condition of such parent's child being or remaining eligible for medical assistance under subsection (a)(10)(A)(ii)(XIX) if the parent is determined eligible for such coverage and the employer contributes at least 50 percent of the total cost of annual premiums for such coverage; and

''(ii) if such coverage is obtained—

''(I) subject to paragraph (2) of section 1916(h), reduce the premium imposed by the

State under that section in an amount that reasonably reflects the premium contribution made by the parent for private coverage on behalf of a child with a disability; and

''(II) treat such coverage as a third party liability under subsection (a)(25).

''(B) In the case of a parent to which subparagraph (A) applies, a State, subject to paragraph (1)(C)(ii), may provide for payment of any portion of the annual premium for such family coverage that the parent is required to pay. Any payments made by the State under this subparagraph shall be considered, for purposes of section 1903(a), to be payments for medical assistance.''.

(b) STATE OPTION TO IMPOSE INCOME-RELATED PREMIUMS.—Section 1916 (42 U.S.C. 1396o) is amended—

(1) in subsection (a), by striking ''subsection (g)'' and inserting ''subsections (g) and (h)''; and

(2) by adding at the end the following new subsection:

''(h)(1) With respect to disabled children provided medical assistance under section 1902(a)(10)(A)(ii)(XIX), subject to paragraph (2), a State may (in a uniform manner for such children) require the families of such children to pay monthly premiums set on a sliding scale based on family income.

''(2) A premium requirement imposed under paragraph (1) may only apply to the extent that—

''(A) in the case of a disabled child described in that paragraph whose family income—

''(i) does not exceed 200 percent of the poverty line, the aggregate amount of such premium and any premium that the parent is required to pay for family coverage under section 1902(cc)(2)(A)(i) and other cost-sharing charges do not exceed 5 percent of the family's income; and

''(ii) exceeds 200, but does not exceed 300, percent of the poverty line, the aggregate amount of such premium and any premium that the parent is required to pay for family coverage under section 1902(cc)(2)(A)(i) and other cost-sharing charges do not exceed 7.5 percent of the family's income; and

''(B) the requirement is imposed consistent with section 1902(cc)(2)(A)(ii)(I).

''(3) A State shall not require prepayment of a premium imposed pursuant to paragraph (1) and shall not terminate eligibility of a child under section 1902(a)(10)(A)(ii)(XIX) for medical assistance under this title on the basis of failure to pay any such premium until such failure continues for a period of at least 60 days from the date on which the premium became past due. The State may waive payment of any such premium in any case where the State determines that requiring such payment would create an undue hardship.''.

(c) CONFORMING AMENDMENTS.—(1) Section 1903(f)(4) (42 U.S.C. 1396b(f)(4)) is amended in the matter preceding subparagraph (A), by inserting ''1902(a)(10)(A)(ii)(XIX),'' after ''1902(a)(10)(A)(ii)(XVIII),''.

(2) Section 1905(u)(2)(B) (42 U.S.C. 1396d(u)(2)(B)) is amended by adding at the end the following sentence: ''Such term excludes any child eligible for medical assistance only by reason of section 1902(a)(10)(A)(ii)(XIX).''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance for items and services furnished on or after January 1, 2008.

SEC. 6043. DEMONSTRATION PROJECTS REGARDING HOME AND COMMUNITY-BASED ALTERNATIVES TO PSYCHIATRIC RESIDENTIAL TREATMENT FACILITIES FOR CHILDREN.

(a) IN GENERAL.—The Secretary is authorized to conduct, during each of fiscal years 2007 through 2011, demonstration projects (each in the section referred to as a ''demonstration project'') in accordance with this section under which up to 10 States (as defined for purposes of title XIX of the Social Security Act) are awarded grants, on a competitive basis, to test the effectiveness in improving or maintaining a child's functional level and cost-effectiveness of providing coverage of home and community-based alternatives to psychiatric residential treatment for children enrolled in the Medicaid program under title XIX of such Act.

(b) APPLICATION OF TERMS AND CONDITIONS.—

(1) IN GENERAL.—Subject to the provisions of this section, for the purposes of the demonstration projects, and only with respect to children enrolled under such demonstration projects, a psychiatric residential treatment facility (as defined in section 483.352 of title 42 of the Code of Federal Regulations) shall be deemed to be a facility specified in section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)), and to be included in each reference in such section 1915(c) to hospitals, nursing facilities, and intermediate care facilities for the mentally retarded.

(2) STATE OPTION TO ASSURE CONTINUITY OF MEDICAID COVERAGE.—Upon the termination of a demonstration project under this section, the State that conducted the project may elect, only with respect to a child who is enrolled in such project on the termination date, to continue to provide medical assistance for coverage of home and community-based alternatives to psychiatric residential treatment for the child in accordance with section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)), as modified through the application of paragraph (1). Expenditures incurred for providing such medical assistance shall be treated as a home and community-based waiver program under section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)) for purposes of payment under section 1903 of such Act (42 U.S.C. 1396b).

(c) TERMS OF DEMONSTRATION PROJECTS.—

(1) IN GENERAL.—Except as otherwise provided in this section, a demonstration project shall be subject to the same terms and conditions as apply to a waiver under section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)), including the waiver of certain requirements under the first sentence of paragraph (3) of such section but not applying the second sentence of such paragraph.

(2) BUDGET NEUTRALITY.—In conducting the demonstration projects under this section, the Secretary shall ensure that the aggregate payments made by the Secretary under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) do not exceed the amount which the Secretary estimates would have been paid under that title if the demonstration projects under this section had not been implemented.

(3) EVALUATION.—The application for a demonstration project shall include an assurance to provide for such interim and final evaluations of the demonstration project by independent third parties, and for such interim and final reports to the Secretary, as the Secretary may require.

(d) PAYMENTS TO STATES; LIMITATIONS TO SCOPE AND FUNDING.—

(1) IN GENERAL.—Subject to paragraph (2), a demonstration project approved by the Secretary under this section shall be treated as a home and community-based waiver program under section 1915(c) of the Social Security Act (42 U.S.C. 1396n(c)) for purposes of payment under section 1903 of such Act (42 U.S.C. 1396b).

(2) LIMITATION.—In no case may the amount of payments made by the Secretary under this section for State demonstration projects for a fiscal year exceed the amount available under subsection (f)(2)(A) for such fiscal year.

(e) SECRETARY'S EVALUATION AND REPORT.—The Secretary shall conduct an interim and final evaluation of State demonstration projects under this section and shall report to the President and Congress the conclusions of such evaluations within 12 months of completing such evaluations.

(f) FUNDING.—

(1) IN GENERAL.—For the purpose of carrying out this section, there are appropriated, from amounts in the Treasury not otherwise appropriated, for fiscal years 2007 through 2011, a total of $218,000,000, of which—

(A) the amount specified in paragraph (2) shall be available for each of fiscal years 2007 through 2011; and

(B) a total of $1,000,000 shall be available to the Secretary for the evaluations and report under subsection (e).

(2) FISCAL YEAR LIMIT.—

(A) IN GENERAL.—For purposes of paragraph (1), the amount specified in this paragraph for a fiscal year is the amount specified in subparagraph (B) for the fiscal year plus the difference, if any, between the total amount available under this paragraph for prior fiscal years and the total amount previously expended under paragraph (1)(A) for such prior fiscal years.

(B) FISCAL YEAR AMOUNTS.—The amount specified in this subparagraph for—

(i) fiscal year 2007 is $21,000,000;

(ii) fiscal year 2008 is $37,000,000;

(iii) fiscal year 2009 is $49,000,000;

(iv) fiscal year 2010 is $53,000,000; and

(v) fiscal year 2011 is $57,000,000.

SEC. 6044. DEVELOPMENT AND SUPPORT OF FAMILY-TO-FAMILY HEALTH INFORMATION CENTERS.

Section 501 (42 U.S.C. 701) is amended by adding at the end the following new subsection:

''(c)(1)(A) For the purpose of enabling the Secretary (through grants, contracts, or otherwise) to provide for special projects of regional and national significance for the development and support of family-to-family health information centers described in paragraph (2)—

''(i) there is appropriated to the Secretary, out of any money in the Treasury not otherwise appropriated—

''(I) $3,000,000 for fiscal year 2007;

''(II) $4,000,000 for fiscal year 2008; and

''(III) $5,000,000 for fiscal year 2009; and

''(ii) there is authorized to be appropriated to the Secretary, $5,000,000 for each of fiscal years 2010 and 2011.

''(B) Funds appropriated or authorized to be appropriated under subparagraph (A) shall—

''(i) be in addition to amounts appropriated under subsection (a) and retained under section 502(a)(1) for the purpose of carrying out activities described in subsection (a)(2); and

''(ii) remain available until expended.

''(2) The family-to-family health information centers described in this paragraph are centers that—

''(A) assist families of children with disabilities or special health care needs to make informed choices about health care in order to promote good treatment decisions, cost-effectiveness, and improved health outcomes for such children;

''(B) provide information regarding the health care needs of, and resources available for, such children;

''(C) identify successful health delivery models for such children;

''(D) develop with representatives of health care providers, managed care organizations, health care purchasers, and appropriate State agencies, a model for collaboration between families of such children and health professionals;

''(E) provide training and guidance regarding caring for such children;

''(F) conduct outreach activities to the families of such children, health professionals, schools, and other appropriate entities and individuals; and

''(G) are staffed—

''(i) by such families who have expertise in Federal and State public and private health care systems; and

''(ii) by health professionals.

''(3) The Secretary shall develop family-to-family health information centers described in paragraph (2) in accordance with the following:

''(A) With respect to fiscal year 2007, such centers shall be developed in not less than 25 States.

''(B) With respect to fiscal year 2008, such centers shall be developed in not less than 40 States.

''(C) With respect to fiscal year 2009 and each fiscal year thereafter, such centers shall be developed in all States.

''(4) The provisions of this title that are applicable to the funds made available to the Secretary under section 502(a)(1) apply in the same manner to funds made available to the Secretary under paragraph (1)(A).

''(5) For purposes of this subsection, the term 'State' means each of the 50 States and the District of Columbia.''.

SEC. 6045. RESTORATION OF MEDICAID ELIGIBILITY FOR CERTAIN SSI BENEFICIARIES.

(a) IN GENERAL.—Section 1902(a)(10)(A)(i)(II) (42 U.S.C. 1396a(a)(10)(A)(i)(II)) is amended—

(1) by inserting ''(aa)'' after ''(II)'';

(2) by striking '') and'' and inserting ''and'';

(3) by striking ''section or who are'' and inserting ''section), (bb) who are''; and

(4) by inserting before the comma at the end the following: '', or (cc) who are under 21 years of age and with respect to whom supplemental security income benefits would be paid under title XVI if subparagraphs (A) and (B) of section 1611(c)(7) were applied without regard to the phrase 'the first day of the month following' ''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to medical assistance for items and services furnished on or after the date that is 1 year after the date of enactment of this Act.

Subchapter B—State Children's Health Insurance Program

SEC. 6051. RULES FOR AVAILABILITY, REDISTRIBUTION, AND EXTENDED AVAILABILITY OF ALLOTMENTS FOR FISCAL YEARS 2003, 2004, AND 2005.

(a) IN GENERAL.—Section 2104 (42 U.S.C. 1397dd) is amended—

(1) by amending subsection (e) to read as follows:

''(e) AVAILABILITY OF AMOUNTS ALLOTTED.—

''(1) IN GENERAL.—Except as provided in paragraph (2), amounts allotted to a State pursuant to this section—

''(A) for each of fiscal years 1998 through 2003, and for fiscal year 2006 and each fiscal year thereafter, shall remain available for expenditure by the State through the end of the second succeeding fiscal year; and

''(B) for each of fiscal years 2004 and 2005, shall remain available for expenditure by the State during the initial availability period (as defined in paragraph (3)(A)).

''(2) AVAILABILITY OF REALLOTMENTS, REDISTRIBUTED AMOUNTS, AND EXTENDED AVAILABILITY.—

''(A) IN GENERAL.—Amounts reallotted to a State under subsection (f) shall be available for expenditure by the State through the end of the fiscal year in which they are reallotted.

''(B) AVAILABILITY OF REDISTRIBUTED FUNDS AND EXTENDED AVAILABILITY.—Amounts redistributed to a State under subsection (i)(3) or (j)(3) and unused allotments of a State extended under subsection (i)(4) or (j)(4) are available for expenditure by the State during the redistribution/extension period (as defined in paragraph (3)(B)).

''(3) PERIODS DEFINED.—For purposes of this section:

''(A) INITIAL AVAILABILITY PERIOD.—The term 'initial availability period' means, with respect to allotments for a fiscal year, the 2-fiscal year period beginning with that fiscal year.

''(B) REDISTRIBUTION/EXTENSION PERIOD.—The term 'redistribution/extension period' means, with respect to allotments for a fiscal year, the second year following that fiscal year.''; and

(2) by adding at the end the following new subsections:

''(h) RULE FOR REDISTRIBUTION OF FISCAL YEAR 2003 ALLOTMENTS.—

''(1) COMPUTATION OF UNEXPENDED ALLOTMENTS FOR FISCAL YEAR 2003.—The Secretary shall determine—

''(A) the amount of each State's allotment under this section for fiscal year 2003 that was not expended by the end of fiscal year 2005; and

''(B) the total of the unexpended allotments determined under subparagraph (A).

''(2) DETERMINATION OF INITIAL PROJECTED SHORTFALLS FOR FISCAL YEAR 2006.—For each State that receives an allotment for fiscal year 2006 under subsection (b), the Secretary shall determine the following:

''(A) FISCAL YEAR 2005 CARRYOVER.—The amount of the State's allotment for 2005 that was not expended in fiscal year 2005.

''(B) PROJECTED EXPENDITURES FOR FISCAL YEAR 2006.—The estimated expenditures for the State as would be reported as quarterly expenditures under section 2105(a) for quarters in fiscal year 2006.

''(C) INITIAL PROJECTED SHORTFALL FOR FISCAL YEAR 2006.—The amount, if any, by which the projected expenditures determined under subparagraph (B) for the State for quarters in fiscal year 2006 exceeds the sum of the following:

''(i) FISCAL YEAR 2005 CARRYOVER.—The amount determined under subparagraph (A) for the State.

''(ii) FISCAL YEAR 2006 ALLOTMENT.—The amount of the State's allotment for fiscal year 2006.

''(D) STATE'S PROPORTION OF AGGREGATE SHORTFALL.—For each State for which there is an excess determined under subparagraph (C), the ratio of—

''(i) the amount of such excess; to

''(ii) the total of such excesses determined for all States with such an excess.

''(3) REDISTRIBUTION OF UNEXPENDED ALLOTMENTS FOR FISCAL YEAR 2003.—From the total of the unexpended allotments for fiscal year 2003 determined under paragraph (1)(B) the Secretary shall redistribute under subsection (f) the following:

''(A) STATES OTHER THAN TERRITORIES.—There shall be redistributed to each State for which there is an excess determined under paragraph (2)(C) an amount equal to the product of the following:

''(i) STATE REDISTRIBUTION POOL.—The amount determined under paragraph (1)(B), reduced by the total amount redistributed under subparagraph (B).

''(ii) STATE'S SHORTFALL PROPORTION.—The ratio described in paragraph (2)(D) for that State.

''(B) TERRITORIES.—There shall be redistributed to each commonwealth or territory described in subsection (c)(3) an amount equal to the product of the following:

''(i) TERRITORIAL REDISTRIBUTION POOL.—1.05 percent of the amount determined under paragraph (1)(B).

''(ii) TERRITORIAL PROPORTION.—The ratio of—

''(I) the allotment for fiscal year 2003 for such commonwealth or territory under subsection (c), to

''(II) the total of all such allotments for such fiscal year for such commonwealths or territories under such subsection.

''(4) DETERMINATION OF AMOUNTS.—For purposes of calculating the amounts described in—

''(A) paragraphs (1) and (2)(A), the Secretary shall use the amounts reported by the States not later than November 30, 2005, on Form CMS–64 or Form CMS–21, as the case may be, as approved by the Secretary; and

''(B) paragraph (2)(B), the Secretary shall use the amounts reported by the States not later than September 30, 2005, on Form CMS–37 or Form CMS–21B, as the case may be, as approved by the Secretary.

''(i) REDISTRIBUTION AND EXTENSION OF AVAILABILITY OF UNUSED ALLOTMENTS FOR FISCAL YEAR 2004.—Notwithstanding subsection (f):

''(1) COMPUTATION OF UNEXPENDED ALLOTMENTS FOR FISCAL YEAR 2004.—

''(A) IN GENERAL.—The Secretary shall determine with respect to each State that receives an allotment for fiscal year 2004 under subsection (b)—

''(i) the amount of the State's allotment for such fiscal year that was not expended by the end of fiscal year 2005; and

''(ii) the total of the unexpended allotments determined under clause (i).

''(B) REDUCTION OF UNEXPENDED ALLOTMENT BY NET FISCAL YEAR 2006 SHORTFALL.—

''(i) IN GENERAL.—In the case of a State described in clause (ii), the Secretary shall reduce, but not below 0, the amount determined for the State under subparagraph (A)(i) (relating to the State's unexpended allotment for fiscal year 2004) by the amount of the allotment of the State for which availability is extended under paragraph (4)(A).

''(ii) STATE DESCRIBED.—A State described in this clause is a State that meets the following requirements:

''(I) FULLY SPENT FISCAL YEAR 2003 ALLOTMENT.—The State's allotment under this section for fiscal year 2003 was fully expended by the end of fiscal year 2005.

''(II) DID NOT FULLY EXPEND FISCAL YEAR 2004 ALLOTMENT BY END OF FISCAL YEAR 2005.—The State's allotment under this section for fiscal year 2004 was not fully expended by the end of fiscal year 2005.

''(III) PROJECTED FISCAL YEAR 2006 SHORTFALL.—The State has an excess determined under subsection (h)(2)(C) (relating to initial projected fiscal year 2006 shortfall).

''(C) TOTALS AND RATIOS.—The Secretary shall determine the following:

''(i) REDISTRIBUTION POOL.—A redistribution pool equal to the total of the amounts determined under subparagraph (A)(i), as reduced (if applicable) under subparagraph (B)(i).

''(ii) STATE PROPORTION TOWARD REDISTRIBUTION POOL.—For each State in which the amount determined under subparagraph (A)(i) (as reduced, if applicable, under subparagraph (B)(i)) exceeds 0, the ratio of—

''(I) such amount (as so reduced) for the State; to

''(II) the total determined under clause (i).

''(D) AMOUNT OF UNEXPENDED FISCAL YEAR 2004 ALLOTMENT APPLIED TO REDISTRIBUTIONS.—For each State described in subparagraph (C)(ii), the Secretary shall determine a redistribution/reduction amount equal to the product of the following:

''(i) TOTAL AMOUNT REDISTRIBUTED.—The total amount redistributed under paragraph (3).

''(ii) STATE'S PROPORTION OF UNEXPENDED ALLOTMENTS.—The ratio for the State determined under subparagraph (C)(ii).

''(2) DETERMINATION OF NET PROJECTED SHORTFALLS FOR FISCAL YEAR 2006.—For each State that has an excess determined under subsection (h)(2)(C) (relating to initial projected fiscal year 2006 shortfall), the Secretary shall determine an amount equal to the amount determined under such subsection, reduced by the sum of—

''(A) the amount redistributed to the State under subsection (h)(3)(A), and

''(B) the amount of funds of the State for which availability is extended under paragraph (4)(A).

''(3) REDISTRIBUTION FROM REDISTRIBUTION POOL.—From the redistribution pool determined under paragraph (1)(C)(i)—

''(A) STATES OTHER THAN TERRITORIES.—There shall be redistributed to each State which has a net projected shortfall under paragraph (2) an amount determined under such paragraph for the State.

''(B) TERRITORIES.—There shall be redistributed to each commonwealth or territory described in subsection (c)(3) an amount equal to the product of the following:

''(i) TERRITORIAL REDISTRIBUTION POOL.—1.05 percent of the amount of such unexpended allotments determined under paragraph (1)(A)(ii).

''(ii) TERRITORIAL PROPORTION.—The ratio of—

''(I) the allotment under subsection (c) for such commonwealth or territory for fiscal year 2004, to

''(II) the total of all such allotments for such commonwealths and territories.

''(4) EXTENDED AVAILABILITY OF REMAINING UNEXPENDED ALLOTMENTS.—

''(A) TO MEET NET SHORTFALL FOR FISCAL YEAR 2006.—In the case of a State described in paragraph (1)(B)(ii), the Secretary shall extend the availability of funds from the State's allotment for fiscal year 2004 to the extent that—

''(i) the amount determined under subsection (h)(2)(C) (relating to initial shortfall for fiscal year 2006), exceeds

''(ii) the amount redistributed to the State under subsection (h)(3)(A).

''(B) OTHER EXTENSIONS.—The Secretary shall extend the availability of funds from allotments for fiscal year 2004 for each State which has an unexpended allotment for fiscal year 2004 determined under paragraph (1)(A) (as reduced, if applicable, under paragraph (1)(B)) by an amount equal to the amount (if any) by which—

''(i) the amount of such unexpended allotment (as so reduced) for the State, exceeds

''(ii) the redistribution/reduction amount determined under paragraph (1)(D) for the State (relating to the portion of the unexpended allotment applied to redistributions).

''(5) DETERMINATION OF AMOUNTS.—For purposes of calculating the amounts described in—

''(A) paragraph (1)(A)(i), the Secretary shall use the amounts reported by the States not later than November 30, 2005, on Form CMS–64 or Form CMS–21, as the case may be, as approved by the Secretary; and

''(B) paragraph (1)(B)(i), the Secretary shall use the amounts reported by the States not later than September 30, 2005, on Form CMS–37 or Form CMS–21B, as the case may be, as approved by the Secretary.

''(j) REDISTRIBUTION AND EXTENSION OF AVAILABILITY OF UNUSED ALLOTMENTS FOR FISCAL YEAR 2005.—Notwithstanding subsection (f):

''(1) COMPUTATION OF UNEXPENDED ALLOTMENTS FOR FISCAL YEAR 2005.—

''(A) IN GENERAL.—The Secretary shall determine with respect to each State that receives an allotment for fiscal year 2005 under subsection (b)—

''(i) the amount of the State's allotment for fiscal year 2005 that was not expended by the end of fiscal year 2006; and

''(ii) the total of the unexpended allotments determined under clause (i).

''(B) REDUCTION OF UNEXPENDED ALLOTMENT BY NET FISCAL YEAR 2007 SHORTFALL.—

''(i) IN GENERAL.—In the case of a State described in clause (ii), the Secretary shall reduce, but not below 0, the amount determined for the State under subparagraph (A)(i) (relating to the State's unexpended allotment for fiscal year 2005) by the amount of the allotment of the State for which availability is extended under paragraph (4)(A).

''(ii) STATE DESCRIBED.—A State described in this clause is a State that meets the following requirements:

''(I) DID NOT FULLY EXPEND FISCAL YEAR 2005 ALLOTMENT BY END OF FISCAL YEAR 2006.—The State's allotment under this section for fiscal year 2005 was not fully expended by the end of fiscal year 2006.

''(II) PROJECTED SHORTFALL FOR FISCAL YEAR 2007.—The State has an excess determined under paragraph (2)(C) for fiscal year 2007 (relating to initial projected fiscal year 2007 shortfall).

''(C) TOTALS AND RATIOS.—The Secretary shall determine the following:

''(i) REDISTRIBUTION POOL.—A redistribution pool equal to the total of the amounts determined under subparagraph (A)(i), as reduced (if applicable) under subparagraph (B)(i).

''(ii) STATE PROPORTION TOWARD REDISTRIBUTION POOL.—For each State in which the amount determined under subparagraph (A)(i) (as reduced, if applicable, under subparagraph (B)(i)) exceeds 0, the ratio of—

''(I) such amount (as so reduced) for the State; to

''(II) the total determined under clause (i).

''(D) AMOUNT OF UNEXPENDED FISCAL YEAR 2005 ALLOTMENT APPLIED TO REDISTRIBUTIONS.—For each State described in subparagraph (C)(ii), the Secretary shall determine a redistribution/reduction amount equal to the product of the following:

''(i) TOTAL AMOUNT REDISTRIBUTED.—The total amount redistributed under paragraph (3).

''(ii) STATE'S PROPORTION OF UNEXPENDED ALLOTMENTS.—The ratio for the State determined under subparagraph (C)(ii).

''(2) DETERMINATION OF INITIAL PROJECTED SHORTFALLS FOR FISCAL YEAR 2007.—For each State that receives an allotment for fiscal year 2007 under subsection (b), the Secretary shall determine the following:

''(A) FISCAL YEAR 2006 CARRYOVER.—The amount of the State's allotment for fiscal year 2006 that was not expended in fiscal year 2006.

''(B) PROJECTED EXPENDITURES FOR FISCAL YEAR 2007.—The estimated expenditures for the State as would be reported as quarterly expenditures under section 2105(a) for quarters in fiscal year 2007.

''(C) INITIAL PROJECTED SHORTFALL FOR FISCAL YEAR 2007.—The amount, if any, by which the projected expenditures determined under subparagraph (B) for the State for quarters in fiscal year 2007 exceeds the sum of the following:

''(i) FISCAL YEAR 2006 CARRYOVER.—The amount determined under subparagraph (A) for the State.

''(ii) FISCAL YEAR 2007 ALLOTMENT.—The amount of the State's allotment for fiscal year 2007.

''(D) DETERMINATION OF NET PROJECTED SHORTFALLS FOR FISCAL YEAR 2007.—For each State that has an excess determined under subparagraph (C), the Secretary shall determine an amount equal to the amount determined under such subparagraph, reduced by the amount of funds (if any) of the State for which availability is extended under paragraph (4)(A).

''(E) STATE'S PROPORTION OF NET AGGREGATE SHORTFALL.—For each State for which there is a net excess determined under subparagraph (D), the ratio of—

''(i) the amount of such net excess; to

''(ii) the total of such net excesses.

''(3) REDISTRIBUTION FROM REDISTRIBUTION POOL.—From the redistribution pool determined under paragraph (1)(C)(i)—

''(A) STATES OTHER THAN TERRITORIES.—There shall be redistributed to each State for which there is a net projected shortfall under paragraph (2)(D) an amount equal the lesser of the following:

''(i) NET FISCAL YEAR 2007 SHORTFALL.—The amount of the net excess described in paragraph (2)(D) for the State.

''(ii) PORTION OF UNEXPENDED FUNDS AVAILABLE.—The product of the following:

''(I) STATE REDISTRIBUTION POOL.—The amount determined under paragraph (1)(C)(i), reduced by the total amount redistributed under subparagraph (B).

''(II) STATE'S SHORTFALL PROPORTION.—The ratio described in paragraph (2)(E) for that State.

''(B) TERRITORIES.—There shall be redistributed to each commonwealth or territory described in subsection (c)(3) an amount equal to the product of the following:

''(i) TERRITORIAL REDISTRIBUTION POOL.—1.05 percent of the total amount of unexpended allotments determined under paragraph (1)(A)(ii).

''(ii) TERRITORIAL PROPORTION.—The ratio of—

''(I) the allotment under subsection (c) for such commonwealth or territory for fiscal year 2005, to

''(II) the total of all such allotments for such commonwealths and territories.

''(4) EXTENDED AVAILABILITY OF REMAINING UNEXPENDED ALLOTMENTS.—

''(A) TO MEET INITIAL PROJECTED SHORTFALL FOR FISCAL YEAR 2007.—In the case of a State that is described in paragraph (1)(B)(ii), the Secretary shall extend the availability of funds from the State's allotment for fiscal year 2005 to the extent of the amount described in paragraph (2)(C).

''(B) OTHER EXTENSIONS.—If the redistribution pool amount determined under paragraph (1)(C)(i) exceeds the total amount redistributed under paragraph (3), the Secretary shall extend the availability of funds from allotments for fiscal year 2005 for each State which has an unexpended allotment for that fiscal year determined under paragraph (1)(A) (as reduced, if applicable, under paragraph (1)(B)) by an amount equal to the amount (if any) by which—

''(i) the amount of the unexpended allotment (as so reduced) for the State, exceeds

''(ii) the redistribution/reduction amount determined under paragraph (1)(D) for the State (relating to the portion of the unexpended allotment applied to redistributions).

''(5) DETERMINATION OF AMOUNTS.—For purposes of calculating the amounts described in—

''(A) paragraph (1)(A), the Secretary shall use the amounts reported by the States not later than November 30, 2006, on Form CMS–64 or Form CMS–21, as the case may be, as approved by the Secretary; or

''(B) paragraph (2), the Secretary shall use the amounts reported by the States not later than September 30, 2006, on Form CMS–37 or Form CMS–21B, as the case may be, as approved by the Secretary.''.

(b) USE OF REDISTRIBUTED FUNDS FOR CHILD HEALTH ASSISTANCE FOR TARGETED LOW-INCOME CHILDREN.—Section 2105(a) (42 U.S.C. 1397ee(a)) is amended—

(1) in paragraph (1), in the matter preceding subparagraph (A), by inserting ''or paragraph (3)'' after ''subparagraph (B)''; and

(2) by adding at the end the following:

''(3) USE OF REDISTRIBUTED FUNDS FOR CHILD HEALTH ASSISTANCE FOR TARGETED LOW-INCOME CHILDREN.—For purposes of paragraph (1), the expenditures described in this paragraph are expenditures that are not expenditures for child health assistance for targeted low-income children, but only if such expenditures are from any amounts redistributed under subparagraphs (A) or (B) of subsection (h)(3), (i)(3), or (j)(3) of section 2104.''.

SEC. 6052. AUTHORITY TO USE UP TO 10 PERCENT OF FISCAL YEAR 2006 AND 2007 ALLOTMENTS FOR OUTREACH.

Section 2105(c)(2) (42 U.S.C. 1397ee(c)(2)) is amended by adding at the end the following:

''(C) USE OF UP TO 10 PERCENT OF 2006 AND 2007 ALLOTMENTS FOR OUTREACH ACTIVITIES.—Notwithstanding subparagraph (A), a State may use up to 10 percent of the allotment for the State for fiscal year 2006 and for fiscal year 2007 for expenditures incurred during the respective fiscal year for outreach activities as provided in section 2102(c)(1) under the plan.''.

SEC. 6053. PROHIBITION AGAINST COVERING NONPREGNANT CHILDLESS ADULTS WITH SCHIP FUNDS.

(a) PROHIBITION ON USE OF SCHIP FUNDS.—Section 2107 (42 U.S.C. 1397gg) is amended by adding at the end the following:

''(f) LIMITATION OF WAIVER AUTHORITY.—Notwithstanding subsection (e)(2)(A) and section 1115(a), on and after the date of enactment of this subsection, the Secretary may not approve a waiver, experimental, pilot, or demonstration project that would allow funds made available under this title to be used to provide child health assistance or other health benefits coverage to a nonpregnant childless adult. For purposes of the preceding sentence, a caretaker relative (as such term is defined for purposes of carrying out section 1931) shall not be considered a childless adult.''.

(b) CONFORMING AMENDMENTS.—Section 2105(c)(1) (42 U.S.C. 1397ee(c)(1)) is amended—

(1) by inserting ''and may not include coverage of a nonpregnant childless adult'' after ''section 2101)''; and

(2) by adding at the end the following: ''For purposes of the preceding sentence, a caretaker relative (as such term is defined for purposes of carrying out section 1931) shall not be considered a childless adult.''.

(c) RULE OF CONSTRUCTION.—Nothing in this section or the amendments made by this section shall be construed to—

(1) authorize the waiver of any provision of title XIX or XXI of the Social Security Act (42 U.S.C. 1396 et seq., 1397aa et seq.) that is not otherwise authorized to be waived under such titles or under title XI of such Act (42 U.S.C. 1301 et seq.) as of the date of enactment of this Act;

(2) imply congressional approval of any waiver, experimental, pilot, or demonstration project affecting funds made available under the State children's health insurance program under title XXI of the Social Security Act (42 U.S.C. 1397aa et. seq.) or any amendment to such a waiver or project that has been approved as of such date of enactment; or

(3) apply to any waiver, experimental, pilot, or demonstration project that would allow funds made available under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.) to be used to provide child health assistance or other health benefits coverage to a nonpregnant childless adult that is approved before the date of enactment of this Act or to any extension, renewal, or amendment of such a waiver or project that is approved on or after such date of enactment.

SEC. 6054. CONTINUED AUTHORITY FOR QUALIFYING STATES TO USE CERTAIN FUNDS FOR MEDICAID EXPENDITURES.

(a) IN GENERAL.—Section 2105(g)(1)(A) (42 U.S.C. 1397ee(g)(1)(A)) is amended by striking ''or 2001'' and inserting ''2001, 2004, or 2005''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to expenditures made under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.) on or after October 1, 2005.

SEC. 6055. GRANTS TO PROMOTE INNOVATIVE OUTREACH AND ENROLLMENT UNDER MEDICAID AND SCHIP.

Title XXI (42 U.S.C. 1397aa et seq.) is amended by adding at the end the following:

''SEC. 2111. EXPANDED OUTREACH ACTIVITIES.

''(a) GRANTS TO CONDUCT INNOVATIVE OUTREACH AND ENROLLMENT EFFORTS.—

''(1) IN GENERAL.—The Secretary shall award grants to eligible entities to—

''(A) conduct innovative outreach and enrollment efforts that are designed to increase the enrollment and participation of eligible children under this title and title XIX; and

''(B) promote understanding of the importance of health insurance coverage for prenatal care and children.

''(2) PERFORMANCE BONUSES.—The Secretary may reserve a portion of the funds appropriated under subsection (g) for a fiscal year for the purpose of awarding performance bonuses during the succeeding fiscal year to eligible entities that meet enrollment goals or other criteria established by the Secretary.

''(b) PRIORITY FOR AWARD OF GRANTS.—

''(1) IN GENERAL.—In making grants under subsection (a)(1), the Secretary shall give priority to—

''(A) eligible entities that propose to target geographic areas with high rates of—

''(i) eligible but unenrolled children, including such children who reside in rural areas; or

''(ii) racial and ethnic minorities and health disparity populations, including those proposals that address cultural and linguistic barriers to enrollment; and

''(B) eligible entities that plan to engage in outreach efforts with respect to individuals described in subparagraph (A) and that are—

''(i) Federal health safety net organizations; or

''(ii) faith-based organizations or consortia.

''(2) 10 PERCENT SET ASIDE FOR OUTREACH TO INDIAN CHILDREN.—An amount equal to 10 percent of the funds appropriated under subsection (g) for a fiscal year shall be used by the Secretary to award grants to Indian Health Service providers and urban Indian organizations receiving funds under title V of the Indian Health Care Improvement Act (25 U.S.C. 1651 et seq.) for outreach to, and enrollment of, children who are Indians.

''(c) APPLICATION.—An eligible entity that desires to receive a grant under subsection (a)(1) shall submit an application to the Secretary in such form and manner, and containing such information, as the Secretary may decide. Such application shall include—

''(1) quality and outcomes performance measures to evaluate the effectiveness of activities funded by a grant awarded under this section to ensure that the activities are meeting their goals; and

''(2) an assurance that the entity shall—

''(A) conduct an assessment of the effectiveness of such activities against such performance measures; and

''(B) cooperate with the collection and reporting of enrollment data and other information determined as a result of conducting such assessments to the Secretary, in such form and manner as the Secretary shall require.

''(d) DISSEMINATION OF ENROLLMENT DATA AND INFORMATION DETERMINED FROM EFFECTIVENESS ASSESSMENTS; ANNUAL REPORT.—The Secretary shall—

''(1) disseminate to eligible entities and make publicly available the enrollment data and information collected and reported in accordance with subsection (c)(2)(B); and

''(2) submit an annual report to Congress on the outreach activities funded by grants awarded under this section.

''(e) SUPPLEMENT, NOT SUPPLANT.—Federal funds awarded under this section shall be used to supplement, not supplant, non-Federal funds that are otherwise available for activities funded under this section.

''(f) DEFINITIONS.—In this section:

''(1) ELIGIBLE ENTITY.—The term 'eligible entity' means any of the following:

''(A) A State or local government.

''(B) A Federal health safety net organization.

''(C) A national, local, or community-based public or nonprofit private organization.

''(D) A faith-based organization or consortia, to the extent that a grant awarded to such an entity is consistent with the requirements of section 1955 of the Public Health Service Act (42 U.S.C. 300x–65) relating to a grant award to non-governmental entities.

''(E) An elementary or secondary school.

''(2) FEDERAL HEALTH SAFETY NET ORGANIZATION.—The term 'Federal health safety net organization' means—

''(A) an Indian tribe, tribal organization, or an urban Indian organization receiving funds under title V of the Indian Health Care Improvement Act (25 U.S.C. 1651 et seq.), or an Indian Health Service provider;

''(B) a Federally-qualified health center (as defined in section 1905(1)(2)(B));

''(C) a hospital defined as a disproportionate share hospital for purposes of section 1923;

''(D) a covered entity described in section 340B(a)(4) of the Public Health Service Act (42 U.S.C. 256b(a)(4)); and

''(E) any other entity or a consortium that serves children under a federally-funded program, including the special supplemental nutrition program for women, infants, and children (WIC) established under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786), the head start and early head start programs under the Head Start Act (42 U.S.C. 9801 et seq.), the school lunch program established under the Richard B. Russell National School Lunch Act, and an elementary or secondary school.

''(3) INDIANS; INDIAN TRIBE; TRIBAL ORGANIZATION; URBAN INDIAN ORGANIZATION.—The terms 'Indian', 'Indian tribe', 'tribal organization', and 'urban Indian organization' have the meanings given such terms in section 4 of the Indian Health Care Improvement Act (25 U.S.C. 1603).

''(g) APPROPRIATION.—There is appropriated, out of any money in the Treasury not otherwise appropriated, $25,000,000 for fiscal year 2007 for the purpose of awarding grants under this section. Amounts appropriated and paid under the authority of this section shall—

''(1) be in addition to amounts appropriated under section 2104 and paid to States in accordance with section 2105; and

''(2) not be subject to the limitation on expenditures described in section 2105(c)(2)(A).''.

Subchapter C—Money Follows the Person Rebalancing Demonstration

SEC. 6061. MONEY FOLLOWS THE PERSON REBALANCING DEMONSTRATION.

(a) PROGRAM PURPOSE AND AUTHORITY.—The Secretary is authorized to award, on a competitive basis, grants to States in accordance with this section for demonstration projects (each in this section referred to as an ''MFP demonstration project'') designed to achieve the following objectives with respect to institutional and home and community-based long-term care services under State Medicaid programs:

(1) REBALANCING.—Increase the use of home and community-based, rather than institutional, long-term care services.

(2) MONEY FOLLOWS THE PERSON.—Eliminate barriers or mechanisms, whether in the State law, the State Medicaid plan, the State budget, or otherwise, that prevent or restrict the flexible use of Medicaid funds to enable Medicaid-eligible individuals to receive support for appropriate and necessary long-term services in the settings of their choice.

(3) CONTINUITY OF SERVICE.—Increase the ability of the State Medicaid program to assure continued provision of home and community-based long-term care services to eligible individuals who choose to transition from an institutional to a community setting.

(4) QUALITY ASSURANCE AND QUALITY IMPROVEMENT.—Ensure that procedures are in place (at least comparable to those required under the qualified HCB program) to provide quality assurance for eligible individuals receiving Medicaid home and community-based long-term care services and to provide for continuous quality improvement in such services.

(b) DEFINITIONS.—For purposes of this section:

(1) HOME AND COMMUNITY-BASED LONG-TERM CARE SERVICES.—The term ''home and community-based long-term care services'' means, with respect to a State Medicaid program, home and community-based services (including home health and personal care services) that are provided under the State's qualified HCB program or that could be provided under such a program but are otherwise provided under the Medicaid program.

(2) ELIGIBLE INDIVIDUAL.—The term ''eligible individual'' means, with respect to an MFP demonstration project of a State, an individual in the State—

(A) who, immediately before beginning participation in the MFP demonstration project—

(i) resides (and has resided, for a period of not less than 6 months or for such longer minimum period, not to exceed 2 years, as may be specified by the State) in an inpatient facility;

(ii) is receiving Medicaid benefits for inpatient services furnished by such inpatient facility; and

(iii) with respect to whom a determination has been made that, but for the provision of home and community-based long-term care services, the individual would continue to require the level of care provided in an inpatient facility; and

(B) who resides in a qualified residence beginning on the initial date of participation in the demonstration project.

(3) INPATIENT FACILITY.—The term ''inpatient facility'' means a hospital, nursing facility, or intermediate care facility for the mentally retarded. Such term includes an institution for mental diseases, but only, with respect to a State, to the extent medical assistance is available under the State Medicaid plan for services provided by such institution.

(4) MEDICAID.—The term ''Medicaid'' means, with respect to a State, the State program under title XIX of the Social Security Act (including any waiver or demonstration under such title or under section 1115 of such Act relating to such title).

(5) QUALIFIED HCB PROGRAM.—The term ''qualified HCB program'' means a program providing home and community-based long-term care services operating under Medicaid, whether or not operating under waiver authority.

(6) QUALIFIED RESIDENCE.—The term ''qualified residence'' means, with respect to an eligible individual—

(A) a home owned or leased by the individual or the individual's family member;

(B) an apartment with an individual lease, with lockable access and egress, and which includes living, sleeping, bathing, and cooking areas over which the individual or the individual's family has domain and control; and

(C) a residence, in a community-based residential setting, in which no more than 4 unrelated individuals reside.

(7) QUALIFIED EXPENDITURES.—The term ''qualified expenditures'' means expenditures by the State under its MFP demonstration project for home and community-based long-term care services for an eligible individual participating in the MFP demonstration project, but only with respect to services furnished during the 12-month period beginning on the date the individual is discharged from an inpatient facility referred to in paragraph (2)(A)(i).

(8) SELF-DIRECTED SERVICES.—The term ''self-directed'' means, with respect to home and community-based long-term care services for an eligible individual, such services for the individual which are planned and purchased under the direction and control of such individual or the individual's authorized representative (as defined by the Secretary), including the amount, duration, scope, provider, and location of such services, under the State Medicaid program consistent with the following requirements:

(A) ASSESSMENT.—There is an assessment of the needs, capabilities, and preferences of the individual with respect to such services.

(B) SERVICE PLAN.—Based on such assessment, there is developed jointly with such individual or the individual's authorized representative a plan for such services for such individual that is approved by the State and that—

(i) specifies those services, if any, which the individual or the individual's authorized representative would be responsible for directing;

(ii) identifies the methods by which the individual or the individual's authorized representative or an agency designated by an individual or representative will select, manage, and dismiss providers of such services;

(iii) specifies the role of family members and others whose participation is sought by the individual or the individual's authorized representative with respect to such services;

(iv) is developed through a person-centered process that—

(I) is directed by the individual or the individual's authorized representative;

(II) builds upon the individual's capacity to engage in activities that promote community life and that respects the individual's preferences, choices, and abilities; and

(III) involves families, friends, and professionals as desired or required by the individual or the individual's authorized representative;

(v) includes appropriate risk management techniques that recognize the roles and sharing of responsibilities in obtaining services in a self-directed manner and assure the appropriateness of such plan based upon the resources and capabilities of the individual or the individual's authorized representative; and

(vi) may include an individualized budget which identifies the dollar value of the services and supports under the control and direction of the individual or the individual's authorized representative.

(C) BUDGET PROCESS.—With respect to individualized budgets described in subparagraph (B)(vi), the State application under subsection (c)—

(i) describes the method for calculating the dollar values in such budgets based on reliable costs and service utilization;

(ii) defines a process for making adjustments in such dollar values to reflect changes in individual assessments and service plans; and

(iii) provides a procedure to evaluate expenditures under such budgets.

(9) STATE.—The term ''State'' has the meaning given such term for purposes of title XIX of the Social Security Act.

(c) STATE APPLICATION.—A State seeking approval of an MFP demonstration project shall submit to the Secretary, at such time and in such format as the Secretary requires, an application meeting the following requirements and containing such additional information, provisions, and assurances, as the Secretary may require:

(1) ASSURANCE OF A PUBLIC DEVELOPMENT PROCESS.—The application contains an assurance that the State has engaged, and will continue to engage, in a public process for the design, development, and evaluation of the MFP demonstration project that allows for input from eligible individuals, the families of such individuals, authorized representatives of such individuals, providers, and other interested parties.

(2) OPERATION IN CONNECTION WITH QUALIFIED HCB PROGRAM TO ASSURE CONTINUITY OF SERVICES.—The State will conduct the MFP demonstration project for eligible individuals in conjunction with the operation of a qualified HCB program that is in operation (or approved) in the State for such individuals in a manner that assures continuity of Medicaid coverage for such individuals so long as such individuals continue to be eligible for medical assistance.

(3) DEMONSTRATION PROJECT PERIOD.—The application shall specify the period of the MFP demonstration project, which shall include at least 2 consecutive fiscal years in the 5-fiscal-year period beginning with fiscal year 2009.

(4) SERVICE AREA.—The application shall specify the service area or areas of the MFP demonstration project, which may be a statewide area or one or more geographic areas of the State.

(5) TARGETED GROUPS AND NUMBERS OF INDIVIDUALS SERVED.—The application shall specify—

(A) the target groups of eligible individuals to be assisted to transition from an inpatient facility to a qualified residence during each fiscal year of the MFP demonstration project;

(B) the projected numbers of eligible individuals in each targeted group of eligible individuals to be so assisted during each such year; and

(C) the estimated total annual qualified expenditures for each fiscal year of the MFP demonstration project.

(6) INDIVIDUAL CHOICE, CONTINUITY OF CARE.—The application shall contain assurances that—

(A) each eligible individual or the individual's authorized representative will be provided the opportunity to make an informed choice regarding whether to participate in the MFP demonstration project;

(B) each eligible individual or the individual's authorized representative will choose the qualified residence in which the individual will reside and the setting in which the individual will receive home and community-based long-term care services;

(C) the State will continue to make available, so long as the State operates its qualified HCB program consistent with applicable requirements, home and community-based long-term care services to each individual who completes participation in the MFP demonstration project for as long as the individual remains eligible for medical assistance for such services under such qualified HCB program (including meeting a requirement relating to requiring a level of care provided in an inpatient facility and continuing to require such services).

(7) REBALANCING.—The application shall—

(A) provide such information as the Secretary may require concerning the dollar amounts of State Medicaid expenditures for the fiscal year, immediately preceding the first fiscal year of the State's MFP demonstration project, for long-term care services and the percentage of such expenditures that were for institutional long-term care services or were for home and community-based long-term care services;

(B)(i) specify the methods to be used by the State to increase, for each fiscal year during the MFP demonstration project, the dollar amount of such total expenditures for home and community-based long-term care services and the percentage of such total expenditures for long-term care services that are for home and community-based long-term care services; and

(ii) describe the extent to which the MFP demonstration project will contribute to accomplishment of objectives described in subsection (a).

(8) MONEY FOLLOWS THE PERSON.—The application shall describe the methods to be used by the State to eliminate any legal, budgetary, or other barriers to flexibility in the availability of Medicaid funds to pay for long-term care services for eligible individuals participating in the project in the appropriate settings of their choice, including costs to transition from an institutional setting to a qualified residence.

(9) MAINTENANCE OF EFFORT AND COST-EFFECTIVENESS.—The application shall contain or be accompanied by such information and assurances as may be required to satisfy the Secretary that—

(A) total expenditures under the State Medicaid program for home and community-based long-term care services will not be less for any fiscal year during the MFP demonstration project than for the greater of such expenditures for—

(i) fiscal year 2005; or

(ii) any succeeding fiscal year before the first year of the MFP demonstration project; and

(B) in the case of a qualified HCB program operating under a waiver under subsection (c) or (d) of section 1915 of the Social Security Act (42 U.S.C. 1396n), but for the amount awarded under a grant under this section, the State program would continue to meet the cost-effectiveness requirements of subsection (c)(2)(D) of such section or comparable requirements under subsection (d)(5) of such section, respectively.

(10) WAIVER REQUESTS.—The application shall contain or be accompanied by requests for any modification or adjustment of waivers of Medicaid requirements described in subsection (d)(3), including adjustments to the maximum numbers of individuals included and package of benefits, including one-time transitional services, provided.

(11) QUALITY ASSURANCE AND QUALITY IMPROVEMENT.—The application shall include—

(A) a plan satisfactory to the Secretary for quality assurance and quality improvement for home and community-based long-term care services under the State Medicaid program, including a plan to assure the health and welfare of individuals participating in the MFP demonstration project; and

(B) an assurance that the State will cooperate in carrying out activities under subsection (f) to develop and implement continuous quality assurance and quality improvement systems for home and community-based long-term care services.

(12) OPTIONAL PROGRAM FOR SELF-DIRECTED SERVICES.—If the State elects to provide for any home and community-based long-term care services as self-directed services (as defined in subsection (b)(8)) under the MFP demonstration project, the application shall provide the following:

(A) MEETING REQUIREMENTS.—A description of how the project will meet the applicable requirements of such subsection for the provision of self-directed services.

(B) VOLUNTARY ELECTION.—A description of how eligible individuals will be provided with the opportunity to make an informed election to receive self-directed services under the project and after the end of the project.

(C) STATE SUPPORT IN SERVICE PLAN DEVELOPMENT.—Satisfactory assurances that the State will provide support to eligible individuals who self-direct in developing and implementing their service plans.

(D) OVERSIGHT OF RECEIPT OF SERVICES.—Satisfactory assurances that the State will provide oversight of eligible individual's receipt of such self-directed services, including steps to assure the quality of services provided and that the provision of such services are consistent with the service plan under such subsection.

Nothing in this section shall be construed as requiring a State to make an election under the project to provide for home and community-based long-term care services as self-directed services, or as requiring an individual to elect to receive self-directed services under the project.

(13) REPORTS AND EVALUATION.—The application shall provide that—

(A) the State will furnish to the Secretary such reports concerning the MFP demonstration project, on such timetable, in such uniform format, and containing such information as the Secretary may require, as will allow for reliable comparisons of MFP demonstration projects across States; and

(B) the State will participate in and cooperate with the evaluation of the MFP demonstration project.

(d) SECRETARY'S AWARD OF COMPETITIVE GRANTS.—

(1) IN GENERAL.—The Secretary shall award grants under this section on a competitive basis to States selected from among those with applications meeting the requirements of subsection (c), in accordance with the provisions of this subsection.

(2) SELECTION AND MODIFICATION OF STATE APPLICATIONS.—In selecting State applications for the awarding of such a grant, the Secretary—

(A) shall take into consideration the manner in which, and extent to which, the State proposes to achieve the objectives specified in subsection (a);

(B) shall seek to achieve an appropriate national balance in the numbers of eligible individuals, within different target groups of eligible individuals, who are assisted to transition to qualified residences under MFP demonstration projects, and in the geographic distribution of States operating MFP demonstration projects;

(C) shall give preference to State applications proposing—

(i) to provide transition assistance to eligible individuals within multiple target groups; and

(ii) to provide eligible individuals with the opportunity to receive home and community-based long-term care services as self-directed services, as defined in subsection (b)(8); and

(D) shall take such objectives into consideration in setting the annual amounts of State grant awards under this section.

(3) WAIVER AUTHORITY.—The Secretary is authorized to waive the following provisions of title XIX of the Social Security Act, to the extent necessary to enable a State initiative to meet the requirements and accomplish the purposes of this section:

(A) STATEWIDENESS.—Section 1902(a)(1), in order to permit implementation of a State initiative in a selected area or areas of the State.

(B) COMPARABILITY.—Section 1902(a)(10)(B), in order to permit a State initiative to assist a selected category or categories of individuals described in subsection (b)(2)(A).

(C) INCOME AND RESOURCES ELIGIBILITY.—Section 1902(a)(10)(C)(i)(III), in order to permit a State to apply institutional eligibility rules to individuals transitioning to community-based care.

(D) PROVIDER AGREEMENTS.—Section 1902(a)(27), in order to permit a State to implement self-directed services in a cost-effective manner.

(4) CONDITIONAL APPROVAL OF OUTYEAR GRANT.—In awarding grants under this section, the Secretary shall condition the grant for the second and any subsequent fiscal years of the grant period on the following:

(A) NUMERICAL BENCHMARKS.—The State must demonstrate to the satisfaction of the Secretary that it is meeting numerical benchmarks specified in the grant agreement for—

(i) increasing State Medicaid support for home and community-based long-term care services under subsection (c)(5); and

(ii) numbers of eligible individuals assisted to transition to qualified residences.

(B) QUALITY OF CARE.—The State must demonstrate to the satisfaction of the Secretary that it is meeting the requirements under subsection (c)(11) to assure the health and welfare of MFP demonstration project participants.

(e) PAYMENTS TO STATES; CARRYOVER OF UNUSED GRANT AMOUNTS.—

(1) PAYMENTS.—For each calendar quarter in a fiscal year during the period a State is awarded a grant under subsection (d), the Secretary shall pay to the State from its grant award for such fiscal year an amount equal to the lesser of—

(A) 90 percent of the amount of qualified expenditures made during such quarter; or

(B) the total amount remaining in such grant award for such fiscal year (taking into account the application of paragraph (2)).

(2) CARRYOVER OF UNUSED AMOUNTS.—Any portion of a State grant award for a fiscal year under this section remaining at the end of such fiscal year shall remain available to the State for the next 4 fiscal years, subject to paragraph (3).

(3) REAWARDING OF CERTAIN UNUSED AMOUNTS.—In the case of a State that the Secretary determines pursuant to subsection (d)(4) has failed to meet the conditions for continuation of a MFP demonstration project under this section in a succeeding year or years, the Secretary shall rescind the grant awards for such succeeding year or years, together with any unspent portion of an award for prior years, and shall add such amounts to the appropriation for the immediately succeeding fiscal year for grants under this section.

(4) PREVENTING DUPLICATION OF PAYMENT.—The payment under a MFP demonstration project with respect to qualified expenditures shall be in lieu of any payment with respect to such expenditures that could otherwise be paid under Medicaid, including under section 1903(a) of the Social Security Act. Nothing in the previous sentence shall be construed as preventing the payment under Medicaid for such expenditures in a grant year after amounts available to pay for such expenditures under the MFP demonstration project have been exhausted.

(f) QUALITY ASSURANCE AND IMPROVEMENT; TECHNICAL ASSISTANCE; OVERSIGHT.—

(1) IN GENERAL.—The Secretary, either directly or by grant or contract, shall provide for technical assistance to, and oversight of, States for purposes of upgrading quality assurance and quality improvement systems under Medicaid home and community-based waivers, including—

(A) dissemination of information on promising practices;

(B) guidance on system design elements addressing the unique needs of participating beneficiaries;

(C) ongoing consultation on quality, including assistance in developing necessary tools, resources, and monitoring systems; and

(D) guidance on remedying programmatic and systemic problems.

(2) FUNDING.—From the amounts appropriated under subsection (h)(1) for the portion of fiscal year 2009 that begins on January 1, 2009, and ends on September 30, 2009, and for fiscal year 2010, not more than $2,400,000 shall be available to the Secretary to carry out this subsection during the period that begins on January 1, 2009, and ends on September 30, 2013.

(g) RESEARCH AND EVALUATION.—

(1) IN GENERAL.—The Secretary, directly or through grant or contract, shall provide for research on, and a national evaluation of, the program under this section, including assistance to the Secretary in preparing the final report required under paragraph (2). The evaluation shall include an analysis of projected and actual savings related to the transition of individuals to qualified residences in each State conducting an MFP demonstration project.

(2) FINAL REPORT.—The Secretary shall make a final report to the President and Congress, not later than September 30, 2013, reflecting the evaluation described in paragraph (1) and providing findings and conclusions on the conduct and effectiveness of MFP demonstration projects.

(3) FUNDING.—From the amounts appropriated under subsection (h)(1) for each of fiscal years 2010 through 2013, not more than $1,100,000 per year shall be available to the Secretary to carry out this subsection.

(h) APPROPRIATIONS.—

(1) IN GENERAL.—There are appropriated, from any funds in the Treasury not otherwise appropriated, for grants to carry out this section—

(A) $250,000,000 for the portion of fiscal year 2009 beginning on January 1, 2009, and ending on September 30, 2009;

(B) $300,000,000 for fiscal year 2010;

(C) $350,000,000 for fiscal year 2011;

(D) $400,000,000 for fiscal year 2012; and

(E) $450,000,000 for fiscal year 2013.

(2) AVAILABILITY.—Amounts made available under paragraph (1) for a fiscal year shall remain available for the awarding of grants to States by not later than September 30, 2013.

CHAPTER 6—OPTION FOR HURRICANE KATRINA DISASTER STATES TO DELAY APPLICATION

SEC. 6071. OPTION FOR HURRICANE KATRINA DISASTER STATES TO DELAY APPLICATION.

Notwithstanding any provision of this subtitle, or any amendment made by this subtitle, the State of Louisiana, Mississippi, or Alabama may elect to not have the provisions of this subtitle, or of any amendment made by this subtitle, apply with respect to the State during any period for which a major disaster declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) with respect to a parish, in the case of Louisiana, or a county, in the case of Mississippi or Alabama, as a result of Hurricane Katrina is in effect.

Subtitle B—Medicare

SEC. 6101. IMPROVEMENTS TO THE MEDICARE-DEPENDENT HOSPITAL (MDH) PROGRAM.

(a) 5-YEAR EXTENSION.—

(1) EXTENSION OF PAYMENT METHODOLOGY.—Section 1886(d)(5)(G) (42 U.S.C. 1395ww(d)(5)(G)) is amended—

(A) in clause (i), by striking ''October 1, 2006'' and inserting ''October 1, 2011''; and

(B) in clause (ii)(II)—

(i) by striking ''October 1, 2006'' and inserting ''October 1, 2011''; and

(ii) by inserting ''or for discharges in the fiscal year'' after ''for the cost reporting period''.

(2) CONFORMING AMENDMENTS.—

(A) EXTENSION OF TARGET AMOUNT.—Section 1886(b)(3)(D) (42 U.S.C. 1395ww(b)(3)(D)) is amended—

(i) in the matter preceding clause (i)—

(I) by striking ''beginning'' and inserting ''occurring''; and

(II) by striking ''October 1, 2006'' and inserting ''October 1, 2011''; and

(ii) in clause (iv), by striking ''through fiscal year 2005'' and inserting ''through fiscal year 2011''.

(B) PERMITTING HOSPITALS TO DECLINE RECLASSIFICATION.—Section 13501(e)(2) of the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 1395ww note) is amended by striking ''through fiscal year 2005'' and inserting ''through fiscal year 2011''.

(b) OPTION TO USE OF 2002 AS BASE YEAR.—Section 1886(b)(3) (42 U.S.C. 1395ww(b)(3)) is amended—

(1) in subparagraph (D), by inserting ''subject to subparagraph (K),'' after ''(d)(5)(G)),''; and

(2) by adding at the end the following new subparagraph:

''(K)(i) With respect to discharges occurring on or after October 1, 2006, in the case of a medicare-dependent, small rural hospital, for purposes of applying subparagraph (D)—

''(I) there shall be substituted for the base cost reporting period described in subparagraph (D)(i) the 12-month cost reporting period beginning during fiscal year 2002; and

''(II) any reference in such subparagraph to the 'first cost reporting period' described in such subparagraph is deemed a reference to the first cost reporting period beginning on or after October 1, 2006.

''(ii) This subparagraph shall only apply to a hospital if the substitution described in clause (i)(I) results in an increase in the target amount under subparagraph (D) for the hospital.''.

(c) ENHANCED PAYMENT FOR AMOUNT BY WHICH THE TARGET EXCEEDS THE PPS RATE.—Section 1886(d)(5)(G)(ii)(II) (42 U.S.C. 1395ww(d)(5)(G)(iv)(II)) is amended by inserting ''(or 75 percent in the case of discharges occurring on or after October 1, 2006)'' after ''50 percent''.

(d) ENHANCED DISPROPORTIONATE SHARE HOSPITAL (DSH) TREATMENT FOR MEDICARE DEPENDENT HOSPITALS.—Section 1886(d)(5)(F)(xiv)(II) (42 U.S.C. 1395ww(d)(5)(F)(xiv)(II)) is amended by inserting ''or, in the case of discharges occurring on or after October 1, 2006, as a medicare-dependent, small rural hospital under subparagraph (G)(iv)'' before the period at the end.

SEC. 6102. REDUCTION IN PAYMENTS TO SKILLED NURSING FACILITIES FOR BAD DEBT.

(a) IN GENERAL.—Section 1861(v)(1) (42 U.S.C. 1395x(v)(1)) is amended by adding at the end the following new subparagraph:

''(V) In determining such reasonable costs for skilled nursing facilities with respect to services furnished on or after October 1, 2005, the amount of bad debts otherwise treated as allowed costs which are attributable to the deductibles and coinsurance amounts under this title shall be reduced by 30 percent of such amount otherwise allowable.''.

(b) TECHNICAL AMENDMENT.—Section 1861(v)(1)(T) (42 U.S.C. 1395x(v)(1)(T)) is amended by striking ''section 1833(t)(5)(B)'' and inserting ''section 1833(t)(8)(B)''.

SEC. 6103. TWO-YEAR EXTENSION OF THE 50 PERCENT COMPLIANCE THRESHOLD USED TO DETERMINE WHETHER A HOSPITAL OR UNIT OF A HOSPITAL IS AN INPATIENT REHABILITATION FACILITY UNDER THE MEDICARE PROGRAM.

(a) EXTENSION.—

(1) IN GENERAL.—Effective as if enacted on June 30, 2005, notwithstanding section 412.23(b)(2) of title 42, Code of Federal Regulations, during the period beginning on July 1, 2005, and ending on June 30, 2007, the Secretary of Health and Human Services shall not—

(A) require a compliance rate, pursuant to the criterion (commonly known as the ''75 percent rule'') that is used to determine whether a hospital or unit of a hospital is an inpatient rehabilitation facility (as defined in the rule published in the Federal Register on May 7, 2004, entitled ''Medicare Program; Final Rule; Changes to the Criteria for Being Classified as an Inpatient Rehabilitation Facility'' (69 Fed. Reg. 25752)), that is greater than the 50 percent compliance threshold that became effective on July 1, 2004; or

(B) change the designation of an inpatient rehabilitation facility that is in compliance with such 50 percent threshold.

(2) RETROACTIVE STATUS AS AN INPATIENT REHABILITATION FACILITY; PAYMENTS; EXPEDITED REVIEW.—The Secretary of Health and Human Services shall establish procedures for—

(A) making any necessary retroactive adjustment to restore the status of a facility as an inpatient rehabilitation facility as a result of subsection (a); and

(B) making any necessary payments to inpatient rehabilitation facilities based on such adjustment for discharges occurring on or after July 1, 2005, and before the date of enactment of this Act.

(b) SPECIAL RULE.—In the case of a hospital or unit of a hospital that failed to meet the 50 percent compliance threshold described in subsection (a)(1)(A) with respect to the first cost reporting period of the hospital or unit that began on or after July 1, 2004, the following rules shall apply:

(1) Such hospital or unit shall be deemed to meet such 50 percent threshold for purposes of subsection (a).

(2) The Secretary shall examine all the claims of the hospital or unit under title XVIII of the Social Security Act submitted during the 6-month period beginning after the end of such first cost reporting period.

(3) If the Secretary determines after such review that the hospital or unit is still not

in compliance with such 50 percent compliance threshold—

(A) the deemed status of the hospital or unit under paragraph (1) shall be revoked retroactive to the beginning of such 6-month period; and

(B) the Secretary shall provide for the collection of any necessary overpayments by reason of the revocation under subparagraph (A).

(c) STUDY AND REPORT BY THE HHS INSPECTOR GENERAL.—

(1) STUDY.—

(A) IN GENERAL.—The Inspector General of the Department of Health and Human Services shall conduct a study of hospitals and units of hospitals that—

(i) are designated as inpatient rehabilitation facilities under title XVIII of the Social Security Act; and

(ii) would not be so designated if this section had not been enacted because the hospital or unit has a compliance rate that is greater than the 50 percent compliance threshold described in subsection (a)(1)(A) but is less than the 60 percent compliance threshold that would have become effective on July 1, 2005, but for this section.

(B) REQUIREMENT.—In conducting the study under subparagraph (A), the Inspector General shall analyze the types of patients the hospitals and units are treating and issues relating to the medical conditions of such patients that do not meet the medical requirements for determining compliance with such threshold.

(2) REPORT.—Not later than January 1, 2007, the Inspector General shall submit to Congress and the Secretary a report on the study conducted under paragraph (1), together with such recommendations as the Inspector General determines appropriate.

(d) REHABILITATION ADVISORY COUNCIL.—

(1) ESTABLISHMENT.—The Secretary shall establish an advisory council to be known as the ''Rehabilitation Advisory Council''.

(2) MEMBERSHIP.—The membership of the Rehabilitation Advisory Council shall include—

(A) physicians;

(B) Medicare beneficiaries;

(C) representatives of inpatient rehabilitation facilities; and

(D) representatives of other entities and practitioners that provide rehabilitative care in settings other than in such facilities, such as skilled nursing facilities.

(3) DUTIES.—

(A) ADVICE AND RECOMMENDATIONS.—The Rehabilitation Advisory Council shall provide advice and recommendations to Congress and the Secretary concerning the coverage of rehabilitation services under the Medicare program, including the appropriate medical criteria for determining the appropriateness of inpatient rehabilitation facility admissions.

(B) PERIODIC REPORTS.—The Rehabilitation Advisory Council shall provide Congress and the Secretary with periodic reports that summarize—

(i) the Council's activities; and

(ii) any recommendations for legislation or administrative action the Council considers to be appropriate.

(4) TERMINATION.—The Rehabilitation Advisory Council shall terminate on September 30, 2010.

SEC. 6104. PROHIBITION ON PHYSICIAN SELF REFERRALS TO PHYSICIAN OWNED, LIMITED SERVICE HOSPITALS.

(a) PROHIBITION.—Section 1877(d) (42 U.S.C. 1395nn(d)) is amended in each of paragraphs (2)(B) and (3)(B) by striking ''effective for the 18-month period beginning on the date of enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003'' and inserting ''on and after December 8, 2003''.

(b) REVISIONS TO THE REQUIREMENTS TO QUALIFY FOR THE EXCEPTION TO THE DEFINITION OF SPECIALTY HOSPITAL.—Section 1877(h)(7)(B) (42 U.S.C. 1395nn(h)(7)(B)) is amended—

(1) by redesignating clauses (iii), (iv), and (v) as clauses (vi), (vii), and (viii), respectively;

(2) by inserting after clause (ii) the following new clauses:

''(iii) for which the percent of investment in the hospital by physician investors at any time on or after June 8, 2005, is no greater than the percent of such investment by physician investors as of such date;

''(iv) for which the percent of investment in the hospital by any physician investor at any time on or after June 8, 2005, is no greater than the percent of such investment by such physician as of such date;

''(v) for which the number of operating rooms at the hospital at any time on or after June 8, 2005, is no greater than the number of such rooms as of such date;''; and

(3) by striking clause (vii), as so redesignated, and inserting the following:

''(vii) for which—

''(I) during the period beginning on December 8, 2003, and ending on June 7, 2005, any increase in the number of beds occurs only in the facilities on the main campus of the hospital and does not exceed 50 percent of the number of beds in the hospital as of November 18, 2003, or 5 beds, whichever is greater; and

''(II) the number of beds at the hospital at any time on or after June 8, 2005, is no greater than the number of such beds as of such date; and''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on June 8, 2005.

SEC. 6105. MINIMUM UPDATE FOR PHYSICIANS' SERVICES FOR 2006.

(a) MINIMUM UPDATE FOR 2006.—Section 1848(d) (42 U.S.C. 1395w–4(d)), as amended by section 6110(c), is amended by adding at the end the following new paragraph:

''(7) UPDATE FOR 2006.—The update to the single conversion factor established in paragraph (1)(C) for 2006 shall be not less than 1 percent.''.

(b) CONFORMING AMENDMENT.—Section 1848(d)(4)(B) (42 U.S.C. 1395w–4(d)(4)(B)) is amended, in the matter preceding clause (i), by striking ''paragraph (5)'' and inserting ''paragraphs (5) and (7)''.

(c) NOT TREATED AS CHANGE IN LAW AND REGULATION IN SUSTAINABLE GROWTH RATE DETERMINATION.—The amendments made by this section shall not be treated as a change in law for purposes of applying section 1848(f)(2)(D) of the Social Security Act (42 U.S.C. 1395w–4(f)(2)(D)).

SEC. 6106. ONE-YEAR EXTENSION OF HOLD HARMLESS PROVISIONS FOR SMALL RURAL HOSPITALS AND SOLE COMMUNITY HOSPITALS UNDER THE PROSPECTIVE PAYMENT SYSTEM FOR HOSPITAL OUTPATIENT DEPARTMENT SERVICES.

Section 1833(t)(7)(D)(i) (42 U.S.C. 1395l(t)(7)(D)(i)) is amended by striking ''January 1, 2006'' and inserting ''January 1, 2007''.

SEC. 6107. UPDATE TO THE COMPOSITE RATE COMPONENT OF THE BASIC CASE-MIX ADJUSTED PROSPECTIVE PAYMENT SYSTEM FOR DIALYSIS SERVICES.

Section 1881(b)(12) (42 U.S.C. 1395rr(b)(12)) is amended—

(1) in subparagraph (F), in the flush matter at the end, by striking ''Nothing'' and inserting ''Except as provided in subparagraph (G), nothing'';

(2) by redesignating subparagraph (G) as subparagraph (H); and

(3) by inserting after subparagraph (F) the following new subparagraph:

''(G) The Secretary shall increase the amount of the composite rate component of the basic case-mix adjusted system under subparagraph (B) for dialysis services furnished on or after January 1, 2006, by 1.6 percent above the amount of such composite rate component for such services furnished on December 31, 2005.''.

SEC. 6108. ONE-YEAR EXTENSION OF MORATORIUM ON THERAPY CAPS.

Section 1833(g)(4) (42 U.S.C. 1395l(g)(4)) is amended by striking ''and 2005'' and inserting ''2005, and 2006''.

SEC. 6109. TRANSFER OF TITLE OF CERTAIN DME TO PATIENT AFTER 13-MONTH RENTAL.

(a) IN GENERAL.—Section 1834(a)(7)(A) (42 U.S.C. 1395m(a)(7)(A)) is amended to read as follows:

''(A) PAYMENT.—In the case of an item of durable medical equipment not described in paragraphs (2) through (6), the following rules shall apply:

''(i) RENTAL.—

''(I) IN GENERAL.—Payment for the item shall be made on a monthly basis for the rental of the item during the period of medical need (but payments under this clause may not extend over a period of continuous use (as determined by the Secretary) of longer than 13 months).

''(II) PAYMENT AMOUNT.—Subject to subparagraph (B), the amount recognized for the item—

''(aa) for each of the first 3 months of such period is 10 percent of the purchase price recognized under paragraph (8) with respect to the item; and

''(bb) for each of the remaining months of such period is 7.5 percent of such purchase price.

''(ii) OWNERSHIP AFTER RENTAL.—

''(I) TRANSFER OF TITLE.—On the first day that begins after the 13th continuous month during which payment is made for the rental of an item under clause (i), the supplier of the item shall transfer title to the item to the individual.

''(II) MAINTENANCE AND SERVICING.—After the supplier transfers title to the item under subclause (I), maintenance and servicing payments shall, if the Secretary determines such payments are reasonable and necessary, be made (for parts and labor not covered by the supplier's or manufacturer's warranty, as determined by the Secretary to be appropriate for the particular type of durable medical equipment), and such payments shall be in an amount determined to be appropriate by the Secretary.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply to items furnished for which the first rental month occurs on or after January 1, 2006.

SEC. 6110. ESTABLISHMENT OF MEDICARE VALUE-BASED PURCHASING PROGRAMS.

(a) IN GENERAL.—Title XVIII (42 U.S.C. 1395 et seq.) is amended—

(1) by redesignating part E as part F; and

(2) by inserting after part D the following new part:

''PART E—VALUE-BASED PURCHASING

''QUALITY MEASUREMENT SYSTEMS FOR VALUE-BASED PURCHASING PROGRAMS

''SEC. 1860E–1. (a) ESTABLISHMENT.—

''(1) IN GENERAL.—The Secretary shall develop quality measurement systems in accordance with subsections (b), (c), (d), and (e), for purposes of providing value-based payments to—

''(A) hospitals pursuant to section 1860E–2;

''(B) physicians and practitioners pursuant to section 1860E–3;

''(C) plans pursuant to section 1860E–4;

''(D) end stage renal disease providers and facilities pursuant to section 1860E–5; and

''(E) home health agencies pursuant to section 1860E–6.

''(2) QUALITY.—The systems developed under paragraph (1) shall measure the quality of the care furnished by the provider involved.

''(3) HIGH QUALITY HEALTH CARE DEFINED.—In this part, the term 'high quality health care' means health care that is safe, effective, patient-centered, timely, equitable, efficient, necessary, and appropriate.

''(b) REQUIREMENTS FOR SYSTEMS.—Under each quality measurement system described in subsection (a)(1), the Secretary shall do the following:

''(1) MEASURES.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall select measures of quality to be used by the Secretary under each system.

''(B) REQUIREMENTS.—In selecting the measures to be used under each system pursuant to subparagraph (A), the Secretary shall, to the extent feasible and practicable, ensure that—

''(i) such measures are evidence-based, reliable and valid, actionable, and reasonable to collect and report;

''(ii) measures of process, structure, outcomes, and beneficiary experience of care are included;

''(iii) except for the system that is used to provide value-based payments to physicians and practitioners under section 1860E–3, measures of efficiency (where efficiency is improved quality care through the effective use of resources) are included;

''(iv) measures of overuse and underuse of health care items and services are included;

''(v)(I) at least 1 measure of health information technology infrastructure that enables the provision of high quality health care and facilitates the exchange of health information, such as the use of 1 or more elements of a qualified health information system (as defined in subparagraph (E)), is included during the first year each system is implemented; and

''(II) additional measures of health information technology infrastructure are included in subsequent years;

''(vi) in the case of the system that is used to provide value-based payments to hospitals under section 1860E–2, by not later than January 1, 2008, at least 5 measures that take into account the unique characteristics of small hospitals located in rural areas and frontier areas are included; and

''(vii) measures that assess the quality of care furnished to frail individuals over the age of 75 and to individuals with multiple complex chronic conditions are included.

''(C) REQUIREMENT FOR COLLECTION OF DATA ON A MEASURE FOR 1 YEAR PRIOR TO USE UNDER THE SYSTEMS.—Data on any measure selected by the Secretary under subparagraph (A) must be collected by the Secretary for at least a 12-month period before such measure may be used to determine whether a provider receives a value-based payment under a program described in subsection (a)(1).

''(D) AUTHORITY TO VARY MEASURES.—The Secretary may vary the measures selected under subparagraph (A) by the entity or individual involved based on factors such as the type of, the size of, and the scope and volume of services provided by, the entity or individual. If the Secretary varies the measures for providers under the preceding sentence, the Secretary shall ensure that such measures are aligned to promote coordinated quality of care across provider settings.

''(E) QUALIFIED HEALTH INFORMATION SYSTEM DEFINED.—For purposes of subparagraph (B)(iv)(I), the term 'qualified health information system' means a computerized system (including hardware, software, and training) that—

''(i) protects the privacy and security of health information and properly encrypts such health information;

''(ii) maintains and provides access to patients' health records in an electronic format;

''(iii) incorporates decision support software to reduce medical errors and enhance health care quality;

''(iv) is consistent with data standards and certification processes recommended by the Secretary;

''(v) allows for the reporting of quality measures; and

''(vi) includes other features determined appropriate by the Secretary.

''(2) WEIGHTS OF MEASURES.—The Secretary shall assign weights to the measures used by the Secretary under each system. If the Secretary determines appropriate, in assigning the weights under the preceding sentence, some measures may be weighted more heavily than other measures.

''(3) RISK ADJUSTMENT.—The Secretary shall establish procedures, as appropriate, to control for differences in beneficiary health status and beneficiary characteristics. To the extent feasible, such procedures may be based on existing models for controlling for such differences.

''(4) MAINTENANCE.—

''(A) IN GENERAL.—The Secretary shall, as determined appropriate, but not more often than once each 12-month period, review and revise each system, including through—

''(i) the refinement of measures under the systems and the retirement of existing outdated measures under the system;

''(ii) the refinement of the weights assigned to measures under the system; and

''(iii) the refinement of the risk adjustment procedures established pursuant to paragraph (3) under the system.

''(B) REVISION SHALL ALLOW FOR COMPARISON OF DATA.—Each revision under subparagraph (A) of a quality measurement system shall allow for the comparison of data from one year to the next for purposes of providing value-based payments under the programs described in subsection (a)(1).

''(5) USE OF MOST RECENT QUALITY DATA.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall use the most recent quality data with respect to the provider involved that is available to the Secretary.

''(B) INSUFFICIENT DATA DUE TO LOW VOLUME.—If the Secretary determines that there is insufficient data with respect to a measure or measures because of a low number of services provided, the Secretary may aggregate data across more than 1 fiscal or calendar year, as the case may be.

''(c) REQUIREMENTS FOR DEVELOPING AND REVIEWING AND REVISING THE SYSTEMS.—In developing and reviewing and revising each quality measurement system under this section, the Secretary shall—

''(1) consult with, and take into account the recommendations of, the entity that the Secretary has an arrangement with under subsection (e);

''(2) consult with provider-based groups, clinical specialty societies, and certification boards;

''(3) take into account existing quality measurement systems that have been developed through a rigorous process of validation and with the involvement of entities and persons described in subsection (e)(2)(B); and

''(4) take into account—

''(A) each of the reports by the Medicare Payment Advisory Commission that are required under section 1860E–3(a)(1);

''(B) the results of appropriate studies, reports, and demonstration programs; and

''(C) the report by the Institute of Medicine of the National Academy of Sciences under section 238(b) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173).

''(d) REQUIREMENTS FOR IMPLEMENTING THE SYSTEMS.—In implementing each quality measurement system under this section, the Secretary shall consult with entities—

''(1) that have joined together to develop strategies for quality measurement and reporting, including the feasibility of collecting and reporting meaningful data on quality measures; and

''(2) that involve representatives of health care providers, health plans, consumers, employers, purchasers, quality experts, government agencies, and other individuals and groups that are interested in quality of care.

''(e) ARRANGEMENT WITH AN ENTITY TO PROVIDE ADVICE AND RECOMMENDATIONS.—

''(1) ARRANGEMENT.—On and after July 1, 2006, the Secretary shall have in place an arrangement with an entity that meets the requirements described in paragraph (2) under which such entity provides the Secretary with advice on, and recommendations with respect to, the development and review and revision of the quality measurement systems under this section, including the assigning of weights to the measures under subsection (b)(2).

''(2) REQUIREMENTS DESCRIBED.—The requirements described in this paragraph are the following:

''(A) The entity is a private nonprofit entity governed by an executive director and a board.

''(B) The members of the entity include representatives of—

''(i)(I) health plans and providers receiving reimbursement under this title for the provision of items and services, including health plans and providers with experience in the care of the frail elderly and individuals with multiple complex chronic conditions; or

''(II) groups representing such health plans and providers;

''(ii) groups representing individuals receiving benefits under this title;

''(iii) purchasers and employers or groups representing purchasers or employers;

''(iv) organizations that focus on quality improvement as well as the measurement and reporting of quality measures;

''(v) organizations that certify and license such providers;

''(vi) State government health programs;

''(vii) persons skilled in the conduct and interpretation of biomedical, health services, and health economics research and with expertise in outcomes and effectiveness research and technology assessment; and

''(viii) persons or entities involved in the development and establishment of standards and certification for health information technology systems and clinical data.

''(C) The membership of the entity is representative of individuals with experience with—

''(i) urban health care issues;

''(ii) safety net health care issues; and

''(iii) rural and frontier health care issues.

''(D) The entity does not charge a fee for membership for participation in the work of the entity related to the arrangement with the Secretary under paragraph (1). If the entity does require a fee for membership for participation in other functions of the entity, there shall be no linkage between such fee and participation in the work of the entity related to such arrangement with the Secretary.

''(E) The entity—

''(i) permits members described in subparagraph (B) to vote on matters of the entity related to the arrangement with the Secretary under paragraph (1); and

''(ii) ensures that such members have an equal vote on such matters.

''(F) With respect to matters related to the arrangement with the Secretary under paragraph (1), the entity conducts its business in an open and transparent manner and provides the opportunity for public comment.

''(G) The entity operates as a voluntary consensus standards setting organization as defined for purposes of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (Public Law 104–113) and Office of Management and Budget Revised Circular A–119 (published in the Federal Register on February 10, 1998).

''(3) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out the provisions of this subsection, there are authorized to be appropriated—

''(A) for each of the fiscal years 2006 and 2007, $3,000,000; and

''(B) for fiscal year 2008 and each subsequent fiscal year, an amount equal to the sum of—

''(i) $3,000,000; and

''(ii) such amount multiplied by the percentage (if any) by which the average of the Consumer Price Index for all urban consumers (United States city average) for the 12-month period ending with June of the calendar year in which such fiscal year begins exceeds such average for the 12-month period ending with June 2006.

''PPS HOSPITAL VALUE-BASED PURCHASING PROGRAM

''SEC. 1860E–2. (a) PROGRAM.—

''(1) IN GENERAL.—The Secretary shall establish a program under which value-based payments are provided each fiscal year to hospitals that demonstrate the provision of high quality health care to individuals who are entitled to benefits under part A and are inpatients of the hospital.

''(2) PROGRAM TO BEGIN IN FISCAL YEAR 2007.—The Secretary shall establish the program under this section so that value-based payments described in subsection (b) are made with respect to fiscal year 2007 and each subsequent fiscal year.

''(3) APPLICABILITY OF PROGRAM TO HOSPITALS.—For purposes of this section, the term 'hospital' means a subsection (d) hospital (as defined in section 1886(d)(1)(B)).

''(b) VALUE-BASED PAYMENTS.—

''(1) IN GENERAL.—Subject to paragraph (4), the Secretary shall make a value-based payment to a hospital with respect to a fiscal year if the Secretary determines that the quality of the care provided in that year to individuals who are entitled to benefits under part A and are inpatients of the hospital—

''(A) has substantially improved (as determined by the Secretary) over the prior year; or

''(B) exceeds a threshold established by the Secretary.

''(2) USE OF SYSTEM.—In determining which hospitals qualify for a value-based payment under paragraph (1), the Secretary shall use the quality measurement system developed for this section pursuant to section 1860E–1(a).

''(3) DETERMINATION OF AMOUNT OF AWARD AND ALLOCATION OF AWARDS.—

''(A) IN GENERAL.—The Secretary shall determine—

''(i) the amount of a value-based payment under paragraph (1) provided to a hospital; and

''(ii) subject to subparagraph (B), the allocation of the total amount available under subsection (d) for value-based payments for any fiscal year between payments with respect to hospitals that meet the requirement under subparagraph (A) of paragraph (1) and hospitals that meet the requirement under subparagraph (B) of such paragraph.

''(B) REQUIREMENTS REGARDING THE AMOUNT OF FUNDING AVAILABLE FOR VALUE-BASED PAYMENTS FOR HOSPITALS EXCEEDING A THRESHOLD.—The Secretary shall ensure that—

''(i) a majority of the total amount available under subsection (d) for value-based payments for any fiscal year is provided to hospitals that are receiving such payments because they meet the requirement under paragraph (1)(B); and

''(ii) with respect to fiscal year 2008 and each subsequent fiscal year, the percentage of the total amount available under subsection (d) for value-based payments for any fiscal year that is used to make payments to hospitals that meet such requirement is greater than such percentage in the previous fiscal year.

''(4) REQUIREMENTS.—

''(A) REQUIRED SUBMISSION OF DATA.—In order for a hospital to be eligible for a value-based payment for a fiscal year, the hospital must have complied with the requirements under section 1886(b)(3)(B)(viii)(II) with respect to that fiscal year.

''(B) ATTESTATION REGARDING DATA.—In order for a hospital to be eligible for a value-based payment for a fiscal year, the hospital must have provided the Secretary (under procedures established by the Secretary) with an attestation that the data submitted under section 1886(b)(3)(B)(viii)(II) for the fiscal year is complete and accurate.

''(5) TOTAL AMOUNT OF VALUE-BASED PAYMENTS EQUAL TO TOTAL AMOUNT OF AVAILABLE FUNDING.—The Secretary shall establish payment amounts under paragraph (3)(A) so that, as estimated by the Secretary, the total amount of value-based payments made in a fiscal year under paragraph (1) is equal to the total amount available under subsection (d) for such payments for the year.

''(6) PAYMENT METHODS AND TIMING OF PAYMENTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the payment of value-based payments under paragraph (1) shall be based on such a method as the Secretary determines appropriate.

''(B) TIMING.—The Secretary shall ensure that value-based payments under paragraph (1) with respect to a fiscal year are made by not later than the close of the following fiscal year.

''(c) DESCRIPTION OF HOW HOSPITALS WOULD HAVE FARED UNDER PROGRAM.—Not later than January 1, 2007, the Secretary shall provide each hospital with a description of the Secretary's estimate of how payments to the hospital under this title would have been affected with respect to items and services furnished during a period, as determined by the Secretary, if the program under this section (and the amendments made by paragraphs (1) and (2) of section 6110(b) of the Deficit Reduction Omnibus Reconciliation Act of 2005) had been in effect with respect to that period.

''(d) FUNDING.—

''(1) AMOUNT.—The amount available for value-based payments under this section with respect to a fiscal year shall be equal to the amount of the reduction in expenditures under the Federal Hospital Insurance Trust Fund under section 1817 in the year as a result of the amendments made by section 6110(b)(2) of the Deficit Reduction Omnibus Reconciliation Act of 2005, as estimated by the Secretary.

''(2) PAYMENTS FROM TRUST FUND.—Payments to hospitals under this section shall be made from the Federal Hospital Insurance Trust Fund.

''PHYSICIAN AND PRACTITIONER VALUE-BASED PURCHASING PROGRAM

''SEC. 1860E–3. (a) PROGRAM.—

''(1) IN GENERAL.—The Secretary shall establish a program under which value-based payments are provided each year to physicians and practitioners that demonstrate the provision of high quality health care to individuals enrolled under part B and the Medicare Payment Advisory Commission shall (A) conduct a study, and submit to Congress and the Secretary an initial report by not later than March 1, 2008, and a final report by not later than June 1, 2012, on how the Medicare value-based purchasing programs under this part will impact Medicare beneficiaries, Medicare providers, and Medicare financing, including how such programs will impact the access of such beneficiaries to items and services under this title, the volume and utilization of such items and services, and low-volume providers; and (B) conduct a study, and submit to Congress and the Secretary a report by not later than March 1, 2007, on the advisability and feasibility of establishing a value-based purchasing program under the this title for critical access hospitals (as defined in section 1861(mm)(1)); and (C) conduct a study, and submit to Congress and the Secretary a report by not later than June 1, 2007, on the advisability and feasibility of including renal dialysis facilities described in subsection (a)(3)(A) of section 1860E–5 in the value-based purchasing program under such section 1860E–5 or establishing a value-based purchasing program under this title for such facilities; (D) taking into account the results to date of the demonstration of bundled case-mix adjusted payment system for ESRD services under section 623(e) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, conduct a study, and submit to Congress and the Secretary a report by not later than June 1, 2008, on the implementation of the ESRD provider and facility value-based purchasing program under section 1860E–5, including issues for the Secretary to consider in operating the ESRD provider and facility value-based purchasing program and recommendations on such issues; and (E) conduct a study, and submit to Congress and the Secretary a report by not later than June 1, 2007, on the advisability and feasibility of establishing a value-based purchasing program under this title for skilled nursing facilities (as defined in section 1819(a)).

''(2) PROGRAM TO BEGIN IN 2009.—The Secretary shall establish the program under this section so that value-based payments described in subsection (b) are made with respect to 2009 and each subsequent year.

''(3) DEFINITION OF PHYSICIAN AND PRACTITIONER.—In this section:

''(A) PHYSICIAN.—The term 'physician' has the meaning given that term in section 1861(r).

''(B) PRACTITIONER.—The term 'practitioner' means—

''(i) a practitioner described in section 1842(b)(18)(C);

''(ii) a physical therapist (as described in section 1861(p));

''(iii) an occupational therapist (as so described); and

''(iv) a qualified speech-language pathologist (as defined in section 1861(ll)(3)(A)).

''(4) IDENTIFICATION OF PHYSICIANS AND PRACTITIONERS.—For purposes of applying this section and paragraphs (4)(G) and (6) of section 1848(d), the Secretary shall establish procedures for the identification of physicians and practitioners, such as through physician or practitioner billing units or other units, provider identification numbers, taxpayer identification numbers, the National Provider Identifier, and unique physician identifier numbers.

''(b) VALUE-BASED PAYMENTS.—

''(1) IN GENERAL.—Subject to paragraph (4), the Secretary shall make a value-based payment to a physician or a practitioner with

respect to a year if the Secretary determines that both the quality of the care and the efficiency of the care provided in that year by the physician or practitioner to individuals enrolled under part B—

''(A) has substantially improved (as determined by the Secretary) over the prior year; or

''(B) exceeds a threshold established by the Secretary.

''(2) USE OF SYSTEMS AND DATA.—

''(A) IN GENERAL.—In determining which physicians and practitioners qualify for a value-based payment under paragraph (1), the Secretary shall use—

''(i) the quality measurement system developed for this section pursuant to section 1860E–1(a) with respect to the quality of the care provided by the physician or practitioner; and

''(ii) the comparative utilization system developed under subsection (c) with respect to the efficiency and appropriateness of such care.

''(3) DETERMINATION OF AMOUNT OF AWARD AND ALLOCATION OF AWARDS.—

''(A) IN GENERAL.—The Secretary shall determine—

''(i) the amount of a value-based payment under paragraph (1) provided to a physician or a practitioner; and

''(ii) subject to subparagraph (B), the allocation of the total amount available under subsection (e) for value-based payments for any year between payments with respect to physicians and practitioners that meet the requirement under subparagraph (A) of paragraph (1) and physicians and practitioners that meet the requirement under subparagraph (B) of such paragraph.

''(B) REQUIREMENTS REGARDING THE AMOUNT OF FUNDING AVAILABLE FOR VALUE-BASED PAYMENTS FOR PHYSICIANS AND PRACTITIONERS EXCEEDING A THRESHOLD.—The Secretary shall ensure that—

''(i) a majority of the total amount available under subsection (e) for value-based payments for any year is provided to physicians and practitioners that are receiving such payments because they meet the requirement under paragraph (1)(B); and

''(ii) with respect to 2010 and each subsequent year, the percentage of the total amount available under subsection (e) for value-based payments for any year that is used to make payments to physicians and practitioners that meet such requirement is greater than such percentage in the previous year.

''(4) REQUIREMENTS.—

''(A) REQUIRED SUBMISSION OF DATA.—In order for a physician or a practitioner to be eligible for a value-based payment for a year, the physician or practitioner must have complied with the requirements under section 1848(d)(6)(B)(ii) with respect to that year.

''(B) ATTESTATION REGARDING DATA.—In order for a physician or a practitioner to be eligible for a value-based payment for a year, the physician or practitioner must have provided the Secretary (under procedures established by the Secretary) with an attestation that the data submitted under section 1848(d)(6)(B)(ii) with respect to that year is complete and accurate.

''(5) TOTAL AMOUNT OF VALUE-BASED PAYMENTS EQUAL TO TOTAL AMOUNT OF AVAILABLE FUNDING.—The Secretary shall establish payment amounts under paragraph (3)(A) so that, as estimated by the Secretary, the total amount of value-based payments made in a year under paragraph (1) is equal to the total amount available under subsection (e) for such payments for the year.

''(6) PAYMENT METHODS AND TIMING OF PAYMENTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the payment of value-based payments under paragraph (1) shall be based on such a method as the Secretary determines appropriate.

''(B) TIMING.—The Secretary shall ensure that value-based payments under paragraph (1) with respect to a year are made by not later than December 31 of the subsequent year.

''(c) COMPARATIVE UTILIZATION SYSTEM.—

''(1) DEVELOPMENT.—The Secretary, in consultation with relevant stakeholders, shall develop a comparative utilization system for purposes of providing value-based payments under subsection (b).

''(2) MEASURES OF EFFICIENCY AND APPROPRIATENESS OF CARE.—The comparative utilization system developed under paragraph (1) shall measure the efficiency and appropriateness of the care provided by a physician or practitioner.

''(3) REQUIREMENTS FOR SYSTEM.—Under the comparative utilization system described in paragraph (1), the Secretary shall do the following:

''(A) MEASURES.—The Secretary shall select measures of efficiency appropriateness to be used by the Secretary under the system. The Secretary may vary the measures selected under the preceding sentence by the type or specialty of the physician or practitioner. If the Secretary varies the measures for providers under the preceding sentence, the Secretary shall ensure that such measures are aligned to promote coordinated quality of care across provider settings.

''(B) USE OF CLAIMS DATA FOR UTILIZATION PATTERNS.—

''(i) REVIEW OF CLAIMS DATA.—The Secretary shall review claims data with respect to services furnished or ordered by physicians and practitioners.

''(ii) USE OF MOST RECENT CLAIMS DATA.—The Secretary shall use the most recent claims data with respect to the physician or practitioner that is available to the Secretary.

''(C) RISK ADJUSTMENT.—The Secretary shall establish procedures, as appropriate, to control for differences in beneficiary health status and beneficiary characteristics.

''(4) ANNUAL REPORTS.—Beginning in 2007, the Secretary shall provide physicians and practitioners with annual reports on the utilization of items and services under this title based upon the review of claims data under paragraph (3)(B). With respect to reports provided in 2007 and 2008, such reports are confidential and the Secretary shall not make such reports available to the public.

''(d) DESCRIPTION OF HOW PHYSICIANS AND PRACTITIONERS WOULD HAVE FARED UNDER PROGRAM.—Not later than March 1, 2009, the Secretary shall provide each physician and practitioner with a description of the Secretary's estimate of how payments to the physician or practitioner under this title would have been affected with respect to items and services furnished during a period, as determined by the Secretary, if the program under this section (and the amendments made by paragraphs (1) and (2) of section 6110(c) of the Deficit Reduction Omnibus Reconciliation Act of 2005) had been in effect with respect to that period.

''(e) FUNDING.—

''(1) AMOUNT.—The amount available for value-based payments under this section with respect to a year shall be equal to the amount of the reduction in expenditures under the Federal Supplementary Medical Insurance Trust Fund under section 1841 in the year as a result of the amendments made by section 6110(c)(2) of the Deficit Reduction Omnibus Reconciliation Act of 2005, as estimated by the Secretary.

''(2) PAYMENTS FROM TRUST FUND.—Payments to physicians and practitioners under this section shall be made from the Federal Supplementary Medical Insurance Trust Fund.

''PLAN VALUE-BASED PURCHASING PROGRAM

''SEC. 1860E–4. (a) PROGRAM.—

''(1) IN GENERAL.—The Secretary shall establish a program under which value-based payments are provided each year to Medicare Advantage organizations offering Medicare Advantage plans under part C that demonstrate the provision of high quality health care to enrollees under the plan.

''(2) PROGRAM TO BEGIN IN 2009.—The Secretary shall establish the program under this section so that value-based payments under subsection (b) are made with respect to 2009 and each subsequent year.

''(3) DEFINITIONS OF MEDICARE ADVANTAGE ORGANIZATION AND PLAN.—

''(A) IN GENERAL.—In this section:

''(i) MEDICARE ADVANTAGE ORGANIZATION.—The term 'Medicare Advantage organization' has the meaning given such term in section 1859(a)(1).

''(ii) MEDICARE ADVANTAGE PLAN.—The term 'Medicare Advantage plan' has the meaning given such term in section 1859(b)(1).

''(B) APPLICABILITY OF PROGRAM TO MEDICARE ADVANTAGE REGIONAL AND LOCAL PLANS.—For purposes of this section, the term 'Medicare Advantage plan' shall include both Medicare Advantage regional plans (as defined in section 1859(b)(4)) and Medicare Advantage local plans (as defined in section 1859(b)(5)).

''(C) APPLICABILITY OF PROGRAM TO REASONABLE COST CONTRACTS.—Except for paragraphs (5) and (6) of subsection (b), for purposes of this section, the terms—

''(i) 'Medicare Advantage organization' and 'organization' include an organization that is providing benefits under a reasonable cost reimbursement contract under section 1876(h); and

''(ii) 'Medicare Advantage plan' and 'plan' include such a contract.

''(b) VALUE-BASED PAYMENTS.—

''(1) IN GENERAL.—Subject to paragraph (4), the Secretary shall make value-based payments to Medicare Advantage organizations with respect to each Medicare Advantage plan offered by the organization during a year if the Secretary determines that the quality of the care provided under the plan—

''(A) has substantially improved (as determined by the Secretary) over the prior year; or

''(B) exceeds a threshold established by the Secretary.

''(2) USE OF SYSTEM.—In determining which organizations offering Medicare Advantage plans qualify for a value-based payment under paragraph (1), the Secretary shall—

''(A) use the quality measurement system developed for this section pursuant to section 1860E–1(a); and

''(B) ensure that awards are based on data from a full 12-month period (or 24-month period in the case of an award described in paragraph (1)(A)), such periods determined without regard to calendar year periods.

''(3) DETERMINATION OF AMOUNT OF AWARD AND ALLOCATION OF AWARDS.—

''(A) IN GENERAL.—The Secretary shall determine—

''(i) the amount of a value-based payment under paragraph (1) provided to an organization with respect to a plan; and

''(ii) subject to subparagraph (B), the allocation of the total amount available under subsection (d) for value-based payments for any year between payments with respect to plans that meet the requirement under subparagraph (A) of paragraph (1) and plans that

meet the requirement under subparagraph (B) of such paragraph.

''(B) REQUIREMENT REGARDING THE AMOUNT OF FUNDING AVAILABLE FOR VALUE-BASED PAYMENTS FOR PLANS EXCEEDING A THRESHOLD.—The Secretary shall ensure that—

''(i) a majority of the total amount available under subsection (d) for value-based payments for any year is provided to organizations, with respect to plans offered by such organizations, that are receiving such payments because they meet the requirement under paragraph (1)(B); and

''(ii) with respect to 2010 and each subsequent year, the percentage of the total amount available under subsection (d) for value-based payments for any year that is used to make payments to organizations, with respect to plans offered by such organizations, that meet such requirement is greater than such percentage in the previous year.

''(4) USE OF PAYMENTS.—Value-based payments received under this section may only be used for the following purposes:

''(A) To invest in quality improvement programs operated by the organization with respect to the plan.

''(B) To enhance beneficiary benefits under the plan.

''(5) REQUIRED SUBMISSION OF DATA.—In order for an organization to be eligible for a value-based payment for a year with respect to a Medicare Advantage plan or a reasonable cost contract, the organization must have provided for the collection, analysis, and reporting of data pursuant to sections 1852(e)(3) (or submitted the data under section 1876(h)(6) in the case of a reasonable cost contract) with respect to the plan or contract for the 2 years preceding that year.

''(6) NO EFFECT ON MEDICARE ADVANTAGE PLAN BIDS.—In order for a Medicare Advantage organization to be eligible for a value-based payment for a year with respect to a Medicare Advantage plan, the organization must have provided the Secretary with an attestation that the program under this section, including the payment adjustments made by reason of the amendments made by section 6110(d)(2)(A) of the Deficit Reduction Omnibus Reconciliation Act of 2005, had no effect on the integrity and actuarial soundness of the bid submitted under section 1854 for the plan for the year.

''(7) TOTAL AMOUNT OF VALUE-BASED PAYMENTS EQUAL TO TOTAL AMOUNT OF REDUCTION IN PAYMENTS.—The Secretary shall establish payment amounts under paragraph (3)(A) so that, as estimated by the Secretary, the total amount of value-based payments made in a year under paragraph (1) is equal to the total amount available under subsection (d) for such payments for the year.

''(8) PAYMENT METHODS AND TIMING OF PAYMENTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the payment of value-based payments under paragraph (1) shall be based on such a method as the Secretary determines appropriate.

''(B) TIMING.—The Secretary shall ensure that value-based payments under paragraph (1) with respect to a year are made by not later than March 1 of the subsequent year.

''(c) DESCRIPTION OF HOW PLANS WOULD HAVE FARED UNDER PROGRAM—Not later than March 1, 2009, the Secretary shall provide each Medicare Advantage organization offering a Medicare Advantage plan with a description of the Secretary's estimate of how payments under this title to such organization with respect to the plan for a period, as determined by the Secretary, would have been affected if the program under this section (and the amendments made by section 6110(d) of the Deficit Reduction Omnibus Reconciliation Act of 2005) had been in effect with respect to that period.

''(d) FUNDING.—

''(1) AMOUNT.—The amount available for value-based payments under this section with respect to a year shall be equal to the amount of the reduction in expenditures under the Federal Hospital Insurance Trust Fund under section 1817 and the Federal Supplementary Medical Insurance Trust Fund under section 1841 in the year as a result of the amendments made by section 6110(d)(2) of the Deficit Reduction Omnibus Reconciliation Act of 2005, as estimated by the Secretary.

''(2) PAYMENTS FROM TRUST FUNDS.—Payments to organizations under this section shall be made from the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund in the same proportion as payments to Medicare Advantage organizations are made from such Trust Funds under the first sentence of section 1853(f).

''ESRD PROVIDER AND FACILITY VALUE-BASED PURCHASING PROGRAM

''SEC. 1860E–5. (a) PROGRAM.—

''(1) IN GENERAL.—The Secretary shall establish a program under which value-based payments are provided each year to providers of services and renal dialysis facilities that—

''(A) provide items and services to individuals with end stage renal disease who are enrolled under part B; and

''(B) demonstrate the provision of high quality health care to such individuals.

''(2) PROGRAM TO BEGIN IN 2007.—The Secretary shall establish the program under this section so that value-based payments described in subsection (b) are made with respect to 2007 and each subsequent year.

''(3) EXCLUSIONS FROM PROGRAM.—

''(A) PEDIATRIC FACILITIES.—Any renal dialysis facility at least 50 percent of whose patients are individuals under 18 years of age shall not be included in the program under this section.

''(B) PROVIDERS AND FACILITIES CURRENTLY PARTICIPATING IN BUNDLED CASE-MIX DEMONSTRATION NOT INCLUDED IN PROGRAM.—Any provider of services or renal dialysis facility that is currently participating in the bundled case-mix adjusted payment system for ESRD services demonstration project under section 623(e) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173) shall not be included in the program under this section, but only for so long as the provider or facility is so participating.

''(b) VALUE-BASED PAYMENTS.—

''(1) IN GENERAL.—Subject to paragraph (4), the Secretary shall make a value-based payment to a provider of services or a renal dialysis facility with respect to a year if the Secretary determines that the quality of the care provided in that year by the provider or facility to individuals with end stage renal disease who are enrolled under part B—

''(A) has substantially improved (as determined by the Secretary) over the prior year; or

''(B) exceeds a threshold established by the Secretary.

''(2) USE OF SYSTEM.—In determining which providers of services and renal dialysis facilities qualify for a value-based payment under paragraph (1), the Secretary shall use the quality measurement system developed for this section pursuant to section 1860E–1(a).

''(3) DETERMINATION OF AMOUNT OF AWARD AND ALLOCATION OF AWARDS.—

''(A) IN GENERAL.—The Secretary shall determine—

''(i) the amount of a value-based payment under paragraph (1) provided to a provider of services or a renal dialysis facility; and

''(ii) subject to subparagraphs (B) and (C), the allocation of the total amount available under subsection (c) for value-based payments for any year between payments with respect to providers and facilities that meet the requirement under subparagraph (A) of paragraph (1) and providers and facilities that meet the requirement under subparagraph (B) of such paragraph.

''(B) REQUIREMENT REGARDING AMOUNT OF FUNDING AVAILABLE FOR VALUE-BASED PAYMENTS FOR PROVIDERS AND FACILITIES EXCEEDING A THRESHOLD.—The Secretary shall ensure that—

''(i) a majority of the total amount available under subsection (c) for value-based payments for any year is provided to providers of services and renal dialysis facilities that are receiving such payments because they meet the requirement under paragraph (1)(B); and

''(ii) with respect to 2009 and each subsequent year, the percentage of the total amount available under subsection (c) for value-based payments for any year that is used to make payments to providers and facilities that meet such requirement is greater than such percentage in the previous year.

''(C) ONLY VALUE-BASED PAYMENTS FOR PROVIDERS AND FACILITIES EXCEEDING A THRESHOLD IN 2007.—With respect to 2007, the entire amount available under subsection (c) for value-based payments for that year shall be used to make payments to providers of services and renal dialysis facilities that meet the requirement under paragraph (1)(B).

''(4) REQUIREMENTS.—

''(A) REQUIRED SUBMISSION OF DATA.—

''(i) IN GENERAL.—In order for a provider of services or a renal dialysis facility to be eligible for a value-based payment for a year, the provider or facility must have provided for the submission of data in accordance with clause (ii) with respect to that year.

''(ii) SUBMISSION OF DATA.—For 2007 and each subsequent year, each provider of services and renal dialysis facility that receives payments under paragraph (12) shall submit to the Secretary such data that the Secretary determines is appropriate for the measurement of health outcomes and other indices of quality, including data necessary for the operation of the program under this section. Such data shall be submitted in a form and manner, and at a time, specified by the Secretary for purposes of this clause.

''(iii) AVAILABILITY TO THE PUBLIC.—The Secretary shall establish procedures for making data submitted under clause (ii) available to the public in a clear and understandable form. Such procedures shall ensure that a provider or facility has the opportunity to review the data that is to be made public with respect to the provider or facility prior to such data being made public.

''(B) ATTESTATION REGARDING DATA.—In order for a provider of services or a renal dialysis facility to be eligible for a value-based payment for a year, the provider or facility must have provided the Secretary (under procedures established by the Secretary) with an attestation that the data submitted under subparagraph (A)(ii) for the year is complete and accurate.

''(5) TOTAL AMOUNT OF VALUE-BASED PAYMENTS EQUAL TO TOTAL AMOUNT OF AVAILABLE FUNDING.—The Secretary shall establish payment amounts under paragraph (3)(A) so that, as estimated by the Secretary, the total amount of value-based payments made in a year under paragraph (1) is equal to the total amount available under subsection (c) for such payments for the year.

''(6) PAYMENT METHODS AND TIMING OF PAYMENTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the payment of value-based payments under paragraph (1) shall be based on such a

method as the Secretary determines appropriate.

''(B) TIMING.—The Secretary shall ensure that value-based payments under paragraph (1) with respect to a year are made by not later than December 31 of the subsequent year.

''(c) FUNDING.—

''(1) AMOUNT.—The amount available for value-based payments under this section with respect to a year shall be equal to the amount of the reduction in expenditures under the Federal Supplementary Medical Insurance Trust Fund under section 1841 in the year by reason of the application of section 1881(b)(12)(G), as estimated by the Secretary.

''(2) PAYMENTS FROM TRUST FUND.—Payments to providers of services and renal dialysis facilities under this section shall be made from the Federal Supplementary Medical Insurance Trust Fund.

''HOME HEALTH AGENCY VALUE-BASED PURCHASING PROGRAM

''SEC. 1860E–6. (a) PROGRAM.—

''(1) IN GENERAL.—The Secretary shall establish a program under which value-based payments are provided each year to home health agencies that demonstrate the provision of high quality health care to individuals entitled to benefits under part A or enrolled under part B.

''(2) PROGRAM TO BEGIN IN 2008.—The Secretary shall establish the program under this section so that value-based payments described in subsection (b) are made with respect to 2008 and each subsequent year.

''(3) HOME HEALTH AGENCY DEFINED.—In this section, the term ''home health agency'' has the meaning given that term in section 1861(o).

''(b) VALUE-BASED PAYMENTS.—

''(1) IN GENERAL.—Subject to paragraph (4), the Secretary shall make a value-based payment to a home health agency with respect to a year if the Secretary determines that the quality of the care provided in that year by the agency to individuals entitled to benefits under part A or enrolled under part B—

''(A) has substantially improved (as determined by the Secretary) over the prior year; or

''(B) exceeds a threshold established by the Secretary.

''(2) USE OF SYSTEM.—In determining which home health agencies qualify for a value-based payment under paragraph (1), the Secretary shall use the quality measurement system developed for this section pursuant to section 1860E–1(a).

''(3) DETERMINATION OF AMOUNT OF AWARD AND ALLOCATION OF AWARDS.—

''(A) IN GENERAL.—The Secretary shall determine—

''(i) the amount of a value-based payment under paragraph (1) provided to a home health agency; and

''(ii) subject to subparagraph (B), the allocation of the total amount available under subsection (d) for value-based payments for any year between payments with respect to agencies that meet the requirement under subparagraph (A) of paragraph (1) and agencies that meet the requirement under subparagraph (B) of such paragraph.

''(B) REQUIREMENTS REGARDING THE AMOUNT OF FUNDING AVAILABLE FOR VALUE-BASED PAYMENTS FOR AGENCIES EXCEEDING A THRESHOLD.—The Secretary shall ensure that—

''(i) a majority of the total amount available under subsection (d) for value-based payments for any year is provided to home health agencies that are receiving such payments because they meet the requirement under paragraph (1)(B); and

''(ii) with respect to 2009 and each subsequent year, the percentage of the total amount available under subsection (d) for value-based payments for any year that is used to make payments to agencies that meet such requirement is greater than such percentage in the previous year.

''(4) REQUIREMENTS.—

''(A) REQUIRED SUBMISSION OF DATA.—In order for a home health agency to be eligible for a value-based payment for a year, the agency must have complied with the requirements under section 1895(b)(3)(B)(v)(II) with respect to that year.

''(B) ATTESTATION REGARDING DATA.—In order for a home health agency to be eligible for a value-based payment for a year, the agency must have provided the Secretary (under procedures established by the Secretary) with an attestation that the data submitted under section 1895(b)(3)(B)(v)(II) with respect to that year is complete and accurate.

''(5) TOTAL AMOUNT OF VALUE-BASED PAYMENTS EQUAL TO TOTAL AMOUNT OF AVAILABLE FUNDING.—The Secretary shall establish payment amounts under paragraph (3)(A) so that, as estimated by the Secretary, the total amount of value-based payments made in a year under paragraph (1) is equal to the total amount available under subsection (d) for such payments for the year.

''(6) PAYMENT METHODS AND TIMING OF PAYMENTS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the payment of value-based payments under paragraph (1) shall be based on such a method as the Secretary determines appropriate.

''(B) TIMING.—The Secretary shall ensure that value-based payments under paragraph (1) with respect to a year are made by not later than December 31 of the subsequent year.

''(c) DESCRIPTION OF HOW AGENCIES WOULD HAVE FARED UNDER PROGRAM.—Not later than January 1, 2008, the Secretary shall provide each home health agency with a description of the Secretary's estimate of how payments to the agency under this title would have been affected with respect to items and services furnished during a period, as determined by the Secretary, if the program under this section (and the amendments made by section 6110(f) of the Deficit Reduction Omnibus Reconciliation Act of 2005) had been in effect with respect to that period.

''(d) FUNDING.—

''(1) AMOUNT.—The amount available for value-based payments under this section with respect to a year shall be equal to the amount of the reduction in expenditures under the Federal Hospital Insurance Trust Fund under section 1817 and Federal Supplementary Medical Insurance Trust Fund under section 1841 in the year as a result of the application of section 1895(b)(3)(D), as estimated by the Secretary.

''(2) PAYMENTS FROM TRUST FUND.—Payments to home health agencies under this section shall be made from the Federal Hospital Insurance Trust Fund and Federal Supplementary Medical Insurance Trust Fund, in the same proportion as payments for home health services are made from such trust funds.''.

(b) HOSPITALS.—

(1) VOLUNTARY SUBMISSION OF HOSPITAL QUALITY DATA.—

(A) UPDATE FOR HOSPITALS THAT SUBMIT QUALITY DATA.—Section 1886(b)(3)(B) (42 U.S.C. 1395ww(b)(3)(B)) is amended—

(i) in clause (vii)—

(I) in subclause (I), by striking ''for each of fiscal years 2005 through 2007'' and inserting ''for fiscal years 2005 and 2006''; and

(II) in subclause (II), by striking ''Each'' and inserting ''For fiscal years 2005 and 2006, each''; and

(ii) by adding at the end the following new clause:

''(viii)(I) For purposes of clause (i)(XX), for fiscal year 2007 and each subsequent fiscal year, in the case of a subsection (d) hospital that does not submit data in accordance with subclause (II) with respect to such a fiscal year, the applicable percentage increase under such clause for such fiscal year shall be reduced by 2 percentage points. Such reduction shall apply only with respect to the fiscal year involved, and the Secretary shall not take into account such reduction in computing the applicable percentage increase under clause (i)(XX) for a subsequent fiscal year.

''(II) For fiscal year 2007 and each subsequent fiscal year, each subsection (d) hospital shall submit to the Secretary such data that the Secretary determines is appropriate for the measurement of health care quality, including data necessary for the operation of the PPS hospital value-based purchasing program under section 1860E–2. Such data shall be submitted in a form and manner, and at a time, specified by the Secretary for purposes of this clause.

''(III) The Secretary shall establish procedures for making data submitted under subclause (II) available to the public in a clear and understandable form. Such procedures shall ensure that a subsection (d) hospital has the opportunity to review the data that is to be made public with respect to the hospital prior to such data being made public.''.

(B) CONFORMING AMENDMENTS.—Section 1886(b)(3)(B)(i) (42 U.S.C. 1395ww(b)(3)(B)(i)) is amended—

(i) in subclause (XIX), by striking ''2007'' and inserting ''2006''; and

(ii) in subclause (XX)—

(I) by striking ''2008'' and inserting ''2007''; and

(II) by inserting ''subject to clause (viii),'' after ''fiscal year,''.

(2) REDUCTION IN PAYMENTS IN ORDER TO FUND PROGRAM.—

(A) REDUCTION IN PAYMENTS.—Section 1886(d)(5)(A) (42 U.S.C. 1395ww(d)(5)(A)) is amended—

(i) in clause (iv), by striking ''5 percent nor more than 6 percent'' and inserting ''the applicable lower percent nor more than the applicable upper percent''; and

(ii) by adding at the end the following new clause:

''(vii) For purposes of clause (iv)—

''(I) for fiscal years prior to 2007, the 'lower percent' is 5.0 percent and the 'upper percent' is 6.0 percent;

''(II) for fiscal year 2007, the 'lower percent' is 4.0 percent and the 'upper percent' is 5.0 percent;

''(III) for fiscal year 2008, the 'lower percent' is 3.75 percent and the 'upper percent' is 4.75 percent;

''(IV) for fiscal year 2009, the 'lower percent' is 3.5 percent and the 'upper percent' is 4.5 percent;

''(V) for fiscal year 2010, the 'lower percent' is 3.25 percent and the 'upper percent' is 4.25 percent; and

''(VI) for fiscal year 2011 and each subsequent fiscal year, the 'lower percent' is 3.0 percent and the 'upper percent' is 4.0 percent.''.

(B) CONTINUATION OF CURRENT LEVEL OF REDUCTIONS TO THE AVERAGE STANDARDIZED AMOUNT.—Section 1886(d)(3)(B) (42 U.S.C. 1395ww(d)(3)(B)) is amended to read as follows:

''(B) REDUCING FOR VALUE OF OUTLIER PAYMENTS AND FOR FUNDING OF HOSPITAL VALUE-BASED PURCHASING PROGRAM.—

''(i) IN GENERAL.—The Secretary shall reduce each of the average standardized amounts determined under subparagraph (A) by a factor equal to a fraction—

''(I) the numerator of which is the sum of—

''(aa) the additional payments described in paragraph (5)(A) (relating to outlier payments); and

''(bb) the applicable percent of the total payments projected or estimated to be made based on DRG prospective payment rates for discharges in that year; and

''(II) the denominator of which is the total payments projected or estimated to be made based on DRG prospective payment rates for discharges in that year.

''(ii) APPLICABLE PERCENT.—For purposes of clause (i)(I)(bb), the term 'applicable percent' means—

''(I) for fiscal years prior to fiscal year 2007, 0 percent;

''(II) for fiscal year 2007, 1.0 percent;

''(III) for fiscal year 2008, 1.25 percent;

''(IV) for fiscal year 2009, 1.5 percent;

''(V) for fiscal year 2010, 1.75 percent; and

''(VI) for fiscal year 2011 and each subsequent year, 2.0 percent.''.

(3) VALUE-BASED PURCHASING DEMONSTRATION PROGRAM FOR CRITICAL ACCESS HOSPITALS.—

(A) ESTABLISHMENT.—Not later than 6 months after the date of enactment of this Act, the Secretary shall establish a 2-year demonstration program under which the Secretary establishes a value-based purchasing program under the Medicare program under title XVIII of the Social Security Act for critical access hospitals (as defined in section 1861(mm)(1) of such Act (42 U.S.C. 1395x(mm)(1)) in order to test innovative methods of measuring and rewarding quality health care furnished by such hospitals.

(B) SITES.—The Secretary shall conduct the demonstration program at 6 critical access hospitals. The Secretary shall ensure that such hospitals are representative of the spectrum of such hospitals that participate in the Medicare program.

(C) WAIVER AUTHORITY.—The Secretary may waive such requirements of titles XI and XVIII of the Social Security Act as may be necessary to carry out the demonstration program.

(D) FUNDING.—The Secretary shall provide for the transfer from the Federal Hospital Insurance Trust Fund under section 1817 of the Social Security Act (42 U.S.C. 1395i) of such funds as are necessary for the costs of carrying out the demonstration program.

(E) REPORT.—Not later than 6 months after the demonstration program is completed, the Secretary shall submit to Congress a report on the demonstration program together with recommendations on the establishment of a permanent value-based purchasing program under the Medicare program for critical access hospitals and recommendations for such other legislation or administrative action as the Secretary determines appropriate.

(c) PHYSICIANS AND PRACTITIONERS.—

(1) VOLUNTARY SUBMISSION OF PHYSICIAN AND PRACTITIONER QUALITY DATA.—

(A) UPDATE FOR PHYSICIANS AND PRACTITIONERS THAT SUBMIT QUALITY DATA.—Section 1848(d)(4) (42 U.S.C. 1395w–4(d)(4)) is amended by adding at the end the following new subparagraph:

''(G) ADJUSTMENT IF QUALITY DATA NOT SUBMITTED.—

''(i) ADJUSTMENT.—For 2007 and each subsequent year, in the case of services furnished by a physician or a practitioner (as defined in section 1860E–3(a)(3)) that does not submit data in accordance with clause (ii) with respect to such a year, the update otherwise determined under subparagraph (A) shall be reduced by 2 percentage points. Such reduction shall apply only with respect to the year involved, and the Secretary shall not take into account such reduction in computing the conversion factor for a subsequent year.

''(ii) SUBMISSION OF QUALITY DATA.—For 2007 and each subsequent year, each physician and practitioner (as defined in section 1860E–3(a)(3)) shall submit to the Secretary such data that the Secretary determines is appropriate for the measurement of health outcomes and other indices of quality, including data necessary for the operation of the physician and practitioner value-based purchasing program under section 1860E–3. Such data shall be submitted in a form and manner, and at a time, specified by the Secretary for purposes of this subparagraph.

''(iii) AVAILABLE TO THE PUBLIC.—

''(I) IN GENERAL.—Subject to subclauses (II) and (III), the Secretary shall establish procedures for making data submitted under clause (ii), with respect to items and services furnished on or after January 1, 2008, available to the public in 3 phases as follows:

''(aa) PHASE I.—During phase I, the Secretary shall make available to the public the identity of physicians and practitioners that are submitting such data.

''(bb) PHASE II.—During phase II, the Secretary shall make available to the public the identity of physicians and practitioners that are receiving a value-based payment under section 1860E–3.

''(cc) PHASE III.—During phase III, the Secretary shall make data submitted under clause (ii) available to the public in a clear and understandable form.

''(II) REVIEW.—The procedures established under subclause (I) shall ensure that a physician or practitioner has the opportunity to review the data that is to be made public with respect to the physician or practitioner under subclause (I)(cc) prior to such data being made public.

''(III) EXCEPTIONS.—The Secretary shall establish exceptions to the requirement for making data available to the public under subclause (I). In providing for such exceptions, the Secretary shall take into account the size and specialty representation of the practice involved.''.

(B) CONFORMING AMENDMENT.—Section 1848(d)(4)(A) (42 U.S.C. 1395w–4(d)(4)(A)) is amended, in the matter preceding clause (i), by striking ''subparagraph (F)'' and inserting ''subparagraphs (F) and (G)''.

(2) REDUCTION IN CONVERSION FACTOR FOR PHYSICIANS AND PRACTITIONERS THAT SUBMIT QUALITY DATA IN ORDER TO FUND PROGRAM.—

(A) IN GENERAL.—Section 1848(d) (42 U.S.C. 1395w–4(d)) is amended by adding at the end the following new paragraph:

''(6) REDUCTION IN CONVERSION FACTOR FOR PHYSICIANS AND PRACTITIONERS IN ORDER TO FUND VALUE-BASED PURCHASING PROGRAM.—

''(A) IN GENERAL.—For 2009 and each subsequent year, the single conversion factor otherwise applicable under this subsection to services furnished in the year by a physician or a practitioner (as defined in section 1860E–3(a)(3)) that complies with the requirements under paragraph (4)(G)(ii) for the year (determined after application of the update under paragraph (4)) shall be reduced by the applicable percent.

''(B) APPLICABLE PERCENT.—For purposes of subparagraph (A), the term 'applicable percent' means—

''(i) for 2009, 1.0 percent;

''(ii) for 2010, 1.25 percent;

''(iii) for 2011, 1.5 percent;

''(iv) for 2012, 1.75 percent; and

''(v) for 2013 and each subsequent year, 2.0 percent.''.

(B) CONFORMING AMENDMENT.—Section 1848(d)(1)(A) (42 U.S.C. 1395w–4(d)(1)(A)) is amended by striking ''The conversion factor'' and inserting ''Subject to paragraph (6), the conversion factor''.

(d) PLANS.—

(1) SUBMISSION OF QUALITY DATA.—

(A) MEDICARE ADVANTAGE ORGANIZATIONS.—Section 1852(e) (42 U.S.C. 1395w–22(e)), as amended by section 722 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 2347), is amended—

(i) in paragraph (1), by striking ''an MA private fee-for-service plan or''; and

(ii) in paragraph (3)—

(I) in subparagraph (A)—

(aa) in clause (i), by adding at the end the following new sentence: ''Such data shall include data necessary for the operation of the plan value-based purchasing program under section 1860E–4.'';

(bb) by redesignating clause (iv) as clause (vi); and

(cc) by inserting after clause (iii) the following new clauses:

''(iv) APPLICATION TO MA PRIVATE FEE-FOR-SERVICE PLANS.—The Secretary shall establish as appropriate by regulation requirements for the collection, analysis, and reporting of data that permits the measurement of health outcomes and other indices of quality for MA organizations with respect to MA private fee-for-service plans.''.

''(v) AVAILABILITY TO THE PUBLIC.—The Secretary shall establish procedures for making data reported under this subparagraph available to the public in a clear and understandable form. Such procedures shall ensure that an MA organization has the opportunity to review the data that is to be made public with respect to the plan offered by the organization prior to such data being made public.''; and

(II) in subparagraph (B)—

(aa) in clause (i), by striking ''The'' and inserting ''Subject to clause (ii), the''; and

(bb) by striking clause (ii) and inserting the following new clause:

''(ii) CHANGES IN TYPES OF DATA.—Subject to clause (iii), the Secretary may only change the types of data that are required to be submitted under subparagraph (A) after submitting to Congress a report on the reasons for such changes that was prepared—

''(I) in the case of data necessary for the operation of the plan value-based purchasing program under section 1860E–4, after the requirements under subsections (c) and (d) of section 1860E–1 have been complied with; and

''(II) in the case of any other data, in consultation with MA organizations and private accrediting bodies.''.

(B) ELIGIBLE ENTITIES WITH REASONABLE COST CONTRACTS.—Section 1876(h) (42 U.S.C. 1395mm(h)) is amended by adding at the end the following new paragraph:

''(6)(A) With respect to plan years beginning on or after January 1, 2006, an eligible entity with a reasonable cost reimbursement contract under this subsection shall submit to the Secretary such data that the Secretary determines is appropriate for the measurement of health outcomes and other indices of quality, including data necessary for the operation of the plan value-based purchasing program under section 1860E–4. Such data shall be submitted in a form and manner, and at a time, specified by the Secretary for purposes of this subparagraph.

''(B) The Secretary shall establish procedures for making data reported under subparagraph (A) available to the public in a clear and understandable form. Such procedures shall ensure that an eligible entity has the opportunity to review the data that is to be made public with respect to the contract prior to such data being made public.''.

(C) EFFECTIVE DATE.—The amendments made by this subsection shall apply to plan years beginning on or after January 1, 2006.

(D) SENSE OF THE SENATE.—It is the sense of the Senate that, in establishing the timeframes for Medicare Advantage organizations and entities with a reasonable cost reimbursement contract under section 1876(h) of the Social Security Act (42 U.S.C. 1395mm(h)) to report quality data under sections 1852(e)(3) and 1876(h)(6), respectively, of such Act, as added by this section, the Secretary should take into account other timeframes for reporting quality data that such organizations and entities are subject to under other Federal and State programs and in the commercial market.

(2) REDUCTION IN PAYMENTS TO ORGANIZATIONS IN ORDER TO FUND PROGRAM.—

(A) MEDICARE ADVANTAGE PAYMENTS.—

(i) IN GENERAL.—Section 1853(a)(1) (42 U.S.C. 1395w–23(a)(1)), as amended by section 222(e) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 2200), is amended—

(I) in clauses (i) and (ii) of subparagraph (B), by inserting ''and, for 2009 and each subsequent year, except in the case of an MSA plan or an MA plan for which there was no contract under section 1857 during either of the preceding 2 years, reduced by the applicable percent (as defined in subparagraph (I))'' after ''(G)''; and

(II) by adding at the end the following new subparagraph:

''(I) APPLICABLE PERCENT.—For purposes of clauses (i) and (ii) of subparagraph (B), the term 'applicable percent' means—

''(i) for 2009, 1.0 percent;

''(ii) for 2010, 1.25 percent;

''(iii) for 2011, 1.5 percent;

''(iv) for 2012, 1.75 percent; and

''(v) for 2013 and each subsequent year, 2.0 percent.''.

(iii) REDUCTIONS IN PAYMENTS DO NOT AFFECT THE REBATE FOR BIDS BELOW THE BENCHMARK.—The amendments made by subparagraph (A) shall not be construed to have any effect on—

(I) the determination of whether a Medicare Advantage plan has average per capita monthly savings described in paragraph (3)(C) or (4)(C) of section 1854(b) of the Social Security Act (42 U.S.C. 1395w–24(b)); or

(II) the amount of such savings.

(A) REASONABLE COST CONTRACT PAYMENTS.—Section 1876(h) (42 U.S.C. 1395mm(h)), as amended by subsection (a)(2), is amended by adding at the end the following new paragraph:

''(7) Notwithstanding the preceding provisions of this subsection, the Secretary shall reduce each payment to an eligible organization under this subsection with respect to benefits provided on or after January 1, 2009, by an amount equal to the applicable percent (as defined in section 1853(a)(1)(I)) of the payment amount.''.

(3) REQUIREMENT FOR REPORTING ON USE OF VALUE-BASED PAYMENTS.—

(A) MA PLANS.—Section 1854(a) (42 U.S.C. 1395w–24(a)), as amended by section 222(a) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 2193), is amended—

(i) in paragraph (1)(A)(i), by striking ''or (6)(A)'' and inserting ''(6)(A), or (7)''; and

(ii) by adding at the end the following:

''(7) SUBMISSION OF INFORMATION OF HOW VALUE-BASED PAYMENTS WILL BE USED.—For an MA plan for a plan year beginning on or after January 1, 2011, the information described in this paragraph is a description of how the organization offering the plan will use any value-based payments that the organization received under section 1860E–4 with respect to the plan for the year preceding the year in which such information is submitted.''.

(B) REASONABLE COST CONTRACTS.—Section 1876(h) (42 U.S.C. 1395mm(h)), as amended by subsection (c)(2), is amended by adding at the end the following new paragraph:

''(8) Not later than July 1 of each year (beginning in 2010), any eligible entity with a reasonable cost reimbursement contract under this subsection that received a value-based payment under section 1860E–4 with respect to the contract for the preceding year shall submit to the Secretary a report containing a description of how the organization will use such payments under the contract.''.

(e) ESRD PROVIDERS AND FACILITIES.—

(1) VOLUNTARY SUBMISSION OF QUALITY DATA.—Section 1881(b) (42 U.S.C. 1395rr(b)) is amended by adding at the end the following new paragraph:

''(14) By not later than July 31, 2006, the Secretary shall establish procedures under which providers of services and renal dialysis facilities that receive payments under paragraph (12) or (13) may submit to the Secretary data that permits the measurement of health outcomes and other indices of quality.''.

(2) REDUCTION IN CASE-MIX ADJUSTED PROSPECTIVE PAYMENT AMOUNT IN ORDER TO FUND PROGRAM.—Section 1881(b)(12) (42 U.S.C. 1395rr(b)(12)) is amended—

(A) by redesignating subparagraph (G) as subparagraph (H); and

(B) by inserting after subparagraph (F) the following new subparagraph:

''(G)(i) In the case of any payment made under this paragraph for an item or service furnished on or after January 1, 2007, such payment shall be reduced by the applicable percent. The preceding sentence shall not apply to a payment for an item or service furnished by a provider of services or a renal dialysis facility that is excluded from the program under section 1860E–5 by reason of subsection (a)(3) of such section at the time the item or service is furnished.

''(ii) For purposes of clause (i), the term 'applicable percent' means—

''(I) for 2007, 1.0 percent;

''(II) for 2008, 1.25 percent;

''(III) for 2009, 1.5 percent;

''(IV) for 2010, 1.75 percent; and

''(V) for 2011 and each subsequent year, 2.0 percent.''.

(3) VALUE-BASED PURCHASING UNDER THE DEMONSTRATION OF BUNDLED CASE-MIX ADJUSTED PAYMENT SYSTEM FOR ESRD SERVICES.—Section 623(e) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (42 U.S.C. 1395rr note) is amended by adding at the end the following new paragraph:

''(7) VALUE-BASED PURCHASING PROGRAM.—As part of the demonstration project under this subsection, the Secretary shall, beginning January 1, 2007, implement a value-based purchasing program for providers and facilities participating in the demonstration project. The Secretary shall implement such value-based purchasing program in a similar manner as the ESRD provider and facility value-based purchasing program is implemented under section 1860E–5 of the Social Security Act, including the funding of such program.''.

(f) HOME HEALTH AGENCIES.—

(1) UPDATE FOR HOME HEALTH AGENCIES THAT SUBMIT QUALITY DATA.—Section 1895(b)(3)(B) (42 U.S.C.fff(b)(3)(B)) is amended—

(A) in clause (ii)(IV), by inserting ''subject to clause (v),'' after ''subsequent year,''; and

(B) by adding at the end the following new clause:

''(v) ADJUSTMENT IF QUALITY DATA NOT SUBMITTED.—

''(I) ADJUSTMENT.—For purposes of clause (ii)(IV), for 2007 and each subsequent year, in the case of a home health agency that does not submit data in accordance with subclause (II) with respect to such a year, the home health market basket percentage increase applicable under such clause for such year shall be reduced by 2 percentage points. Such reduction shall apply only with respect to the year involved, and the Secretary shall not take into account such reduction in computing the prospective payment amount under this section for a subsequent year.

''(II) SUBMISSION OF QUALITY DATA.—For 2007 and each subsequent year, each home health agency shall submit to the Secretary such data that the Secretary determines is appropriate for the measurement of health care quality, including data necessary for the operation of the home health agency value-based purchasing program under section 1860E–6. Such data shall be submitted in a form and manner, and at a time, specified by the Secretary for purposes of this clause.

''(III) PUBLIC AVAILABILITY OF DATA SUBMITTED.—The Secretary shall establish procedures for making data submitted under subclause (II) available to the public in a clear and understandable form. Such procedures shall ensure that a home health agency has the opportunity to review the data that is to be made public with respect to the agency prior to such data being made public.''.

(2) REDUCTION IN STANDARD PROSPECTIVE PAYMENT AMOUNT FOR AGENCIES THAT SUBMIT QUALITY DATA IN ORDER TO FUND PROGRAM.—Section 1895(b)(3) (42 U.S.C. 1395fff(b)(3)) is amended by adding at the end the following new subparagraph:

''(D) REDUCTION IN ORDER TO FUND VALUE-BASED PURCHASING PROGRAM.—

''(i) IN GENERAL.—For 2008 and each subsequent year, in the case of a home health agency that complies with the submission requirements under section 1895(b)(3)(B)(v)(II) for the year, the standard prospective payment amount (or amounts) otherwise applicable under this paragraph for the year shall be reduced by the applicable percent.

''(ii) APPLICABLE PERCENT.—For purposes of clause (i), the term 'applicable percent' means—

''(I) for 2008, 1.0 percent;

''(II) for 2009, 1.25 percent;

''(III) for 2010, 1.5 percent;

''(IV) for 2011, 1.75 percent; and

''(V) for 2012 and each subsequent year, 2.0 percent.''.

(g) SKILLED NURSING FACILITIES.—

(1) REQUIREMENT FOR SKILLED NURSING FACILITIES TO REPORT FUNCTIONAL CAPACITY OF MEDICARE RESIDENTS UPON ADMISSION AND DISCHARGE.—Section 1819(b) (42 U.S.C. 1395i–3(b)) is amended by adding at the end the following new paragraph:

''(9) REPORTING FUNCTIONAL CAPACITY AT ADMISSION AND DISCHARGE.—

''(A) IN GENERAL.—On and after October 1, 2006, a skilled nursing facility must submit a report to the Secretary on the functional capacity of each resident who is entitled to benefits under this part at the time of—

''(i) the admission of such resident; and

''(ii) the discharge of such resident.

''(B) TIMEFRAME.—A report required under subparagraph (A) shall be submitted within 10 days of the admission or discharge, as the case may be.''.

(2) VOLUNTARY SUBMISSION OF SKILLED NURSING FACILITY QUALITY DATA.—Section 1888(e)(4)(E) (42 U.S.C. 1395yy(e)(4)(E)) is amended—

(A) in clause (ii)(IV), by inserting ''subject to clause (iii),'' after ''subsequent fiscal year,''; and

(B) by adding at the end the following new clause:

''(iii) ADJUSTMENT IF QUALITY DATA NOT SUBMITTED.—

''(I) ADJUSTMENT.—For purposes of clause (ii)(IV), for fiscal year 2009 and each subsequent fiscal year, in the case of a skilled nursing facility that does not submit data in accordance with subclause (II) with respect to such a fiscal year, the skilled nursing facility market basket percentage change applicable under such clause for such fiscal year shall be reduced by 2 percentage points. Such reduction shall apply only with respect to the fiscal year involved, and the Secretary shall not take into account such reduction in computing the Federal per diem rate under this section for a subsequent fiscal year.

''(II) SUBMISSION OF QUALITY DATA.—For fiscal year 2008 and each subsequent fiscal year, each skilled nursing facility shall submit to the Secretary such data that the Secretary determines, after conducting a study in consultation with the entities described in subsections (c)(1), (c)(2), and (d) of section 1860E–1, is appropriate for the measurement of health outcomes and other indices of quality. Such data shall be submitted in a form and manner, and at a time, specified by the Secretary for purposes of this clause.

''(III) PUBLIC AVAILABILITY OF DATA SUBMITTED.—The Secretary shall establish procedures for making data submitted under subclause (II) available to the public in a clear and understandable form. Such procedures shall ensure that a facility has the opportunity to review the data that is to be made public with respect to the facility prior to such data being made public.''.

(h) CONFORMING REFERENCES TO PREVIOUS PART E.—Any reference in law (in effect before the date of the enactment of this Act) to part E of title XVIII of the Social Security Act is deemed a reference to part F of such title (as in effect after such date).

SEC. 6111. PHASE-OUT OF RISK ADJUSTMENT BUDGET NEUTRALITY IN DETERMINING THE AMOUNT OF PAYMENTS TO MEDICARE ADVANTAGE ORGANIZATIONS.

(a) IN GENERAL.—Section 1853 (42 U.S.C. 1395w–23) is amended—

(1) in subsection (j)(1)—

(A) in subparagraph (A)—

(i) by inserting ''(or, beginning with 2007, 1/12 of the applicable amount determined under subsection (k)(1))'' after ''1853(c)(1)''; and

(ii) by inserting ''(for years before 2007)'' after ''adjusted as appropriate'';

(B) in subparagraph (B), by inserting ''(for years before 2007)'' after ''adjusted as appropriate''; and

(2) by adding at the end the following new subsection:

''(k) DETERMINATION OF APPLICABLE AMOUNT FOR PURPOSES OF CALCULATING THE BENCHMARK AMOUNTS.—

''(1) APPLICABLE AMOUNT DEFINED.—For purposes of subsection (j), subject to paragraph (2), the term 'applicable amount' means for an area—

''(A) for 2007—

''(i) if such year is not specified under subsection (c)(1)(D)(ii), an amount equal to the amount specified in subsection (c)(1)(C) for the area for 2006—

''(I) first adjusted by the rescaling factor for 2006 for the area (as made available by the Secretary in the announcement of the rates on April 4, 2005, under subsection (b)(1), but excluding any national adjustment factors for coding intensity and risk adjustment budget neutrality that were included in such factor); and

''(II) then increased by the national per capita MA growth percentage, described in subsection (c)(6) for that succeeding year, but not taking into account any adjustment under subparagraph (C) of such subsection for a year before 2004;

''(ii) if such year is specified under subsection (c)(1)(D)(ii), an amount equal to the greater of—

''(I) the amount determined under clause (i) for the area for the year; or

''(II) the amount specified in subsection (c)(1)(D) for the area for the year; and

''(B) for a subsequent year—

''(i) if such year is not specified under subsection (c)(1)(D)(ii), an amount equal to the amount determined under this paragraph for the area for the previous year, increased by the national per capita MA growth percentage, described in subsection (c)(6) for that succeeding year, but not taking into account any adjustment under subparagraph (C) of such subsection for a year before 2004; and

''(ii) if such year is specified under subsection (c)(1)(D)(ii), an amount equal to the greater of—

''(I) the amount determined under clause (i) for the area for the year; or

''(II) the amount specified in subsection (c)(1)(D) for the area for the year.

''(2) ADJUSTMENT.—

''(A) IN GENERAL.—Except as provided in subparagraph (D), in the case of 2007 through 2010, the applicable amount determined under paragraph (1) shall be increased by a factor equal to 1 plus the product of—

''(i) the percent determined under subparagraph (B) for the year; and

''(ii) the applicable percent for the year under subparagraph (C).

''(B) PERCENT DETERMINED.—

''(i) IN GENERAL.—For purposes of subparagraph (A)(i), subject to clause (ii), the percent determined under this subparagraph for a year is a percent equal to a fraction—

''(I) the numerator of which is an amount equal to—

''(aa) the Secretary's estimate of the total payments that would have been made under this part in the year if all the monthly payment amounts for all MA plans were equal to 1/12 of the annual MA capitation rate under subsection (c)(1) for the area and year; minus

''(bb) the Secretary's estimate of the total payments that would have been made under this part in the year if all the monthly payment amounts for all MA plans were equal to 1/12 of the MA area-specific non-drug monthly benchmark amount under subsection (j) for the area and year; and

''(II) the denominator of which is equal to the total amount estimated for the year under subclause (I)(bb).

''(ii) REQUIREMENTS.—In estimating the amounts under clause (i), the Secretary—

''(I) shall—

''(aa) use a complete set of the most recent and representative Medicare Advantage risk scores under subsection (a)(3) that are available from the risk adjustment model announced for the year;

''(bb) adjust the risk scores to reflect changes in treatment and coding practices in the fee-for-service sector;

''(cc) adjust the risk scores for differences in coding patterns between Medicare Advantage plans and providers under part A and B to the extent that the Secretary has identified such differences;

''(dd) as necessary, adjust the risk scores for late data submitted by Medicare Advantage organizations;

''(ee) as necessary, adjust the risk scores for lagged cohorts; and

''(ff) as necessary, adjust the risk scores for changes in enrollment in Medicare Advantage plans during the year; and

''(II) may take into account the estimated health risk of enrollees in preferred provider organization plans (including MA regional plans) for the year.

In order to make the adjustment required under item (cc) and to ensure payment accuracy, the Secretary shall conduct an analysis of the differences described in such item. The Secretary shall complete such analysis by a date necessary to ensure that the results of such analysis are incorporated into the payment rates for a year not later than 2008. In conducting such analysis, the Secretary shall use data submitted with respect to 2004 and subsequent years, as available.

''(C) APPLICABLE PERCENT.—For purposes of subparagraph (A)(ii), the term 'applicable percent' means—

''(i) for 2007, 55 percent;

''(ii) for 2008, 40 percent;

''(iii) for 2009, 25 percent; and

''(iv) for 2010, 5 percent.

''(D) TERMINATION OF ADJUSTMENT.—The Secretary shall not make any adjustment under subparagraph (A) in a year if the amount estimated under subparagraph (B)(i)(I)(bb) for the year is equal to or greater than the amount estimated under subparagraph (B)(i)(I)(aa) for the year.

''(3) NO ADDITIONAL ADJUSTMENTS.—

''(A) IN GENERAL.—Except for the adjustment provided for in paragraph (2), the Secretary may not make any adjustment to the applicable amount determined in paragraph (1) for any year.

''(B) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to limit the authority of the Secretary to risk adjust the amount under subsection (c)(1)(D) pursuant to clause (i) of such subsection.''.

(b) REFINEMENTS TO HEALTH STATUS ADJUSTMENT.—Section 1853(a)(1)(C) (42 U.S.C. 1395w–23) is amended by inserting after the first sentence the following new sentence: ''In applying such adjustment for health status to such payment amounts, the Secretary shall ensure that such adjustment reflects changes in treatment and coding practices in the fee-for-service sector and reflects differences in coding patterns between Medicare Advantage plans and providers under part A and B to the extent that the Secretary has identified such differences.''.

SEC. 6112. ELIMINATION OF MEDICARE ADVANTAGE REGIONAL PLAN STABILIZATION FUND.

(a) ELIMINATION.—

(1) IN GENERAL.—Subsection (e) of section 1858 (42 U.S.C. 1395w–27a) is repealed.

(2) CONFORMING AMENDMENT.—Section 1858(f)(1) (42 U.S.C. 1395w–27a(f)(1)) is amended by striking ''subject to subsection (e),''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the enactment of section 221(c) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173; 117 Stat. 2181).

(b) TIMEFRAME FOR PART A AND B PAYMENTS.—Notwithstanding sections 1816(c) and 1842(c)(2) of the Social Security Act or any other provision of law—

(1) any payment from the Federal Hospital Insurance Trust Fund under section 1817 of the Social Security Act (42 U.S.C. 1395i) or from the Federal Supplementary Medical Insurance Trust Fund under section 1841 of such Act (42 U.S.C. 1395t) for claims submitted under part A or B of title XVIII of such Act for items and services furnished under such part A or B, respectively, that would otherwise be payable during the period beginning on September 22, 2006, and ending on September 30, 2006, shall be paid on the first business day of October 2006; and

(2) no interest or late penalty shall be paid to an entity or individual for any delay in a payment by reason of the application of paragraph (1).

SEC. 6113. RURAL PACE PROVIDER GRANT PROGRAM.

(a) DEFINITIONS.—In this section:

(1) CMS.—The term ''CMS'' means the Centers for Medicare & Medicaid Services.

(2) ELIGIBLE PARTICIPANT.—The term ''eligible participant'' means a PACE program eligible individual (as defined in sections 1894(a)(5) and 1934(a)(5) of the Social Security Act (42 U.S.C. 1395eee(a)(5); 1396u–4(a)(5))).

(3) PACE PROGRAM.—The term ''PACE program'' has the meaning given that term in sections 1894(a)(2) and 1934(a)(2) of the Social Security Act (42 U.S.C. 1395eee(a)(2); 1396u–4(a)(2)).

(4) PACE PROVIDER.—The term ''PACE provider'' has the meaning given that term in section 1894(a)(3) or 1934(a)(3) of the Social Security Act (42 U.S.C. 1395eee(a)(3); 1396u–4(a)(3)).

(5) RURAL AREA.—The term ''rural area'' has the meaning given that term in section 1886(d)(2)(D) of the Social Security Act (42 U.S.C. 1395ww(d)(2)(D)).

(6) RURAL PACE PILOT SITE.—The term ''rural PACE pilot site'' means a PACE provider that has been approved to provide services in a geographic service area that is, in whole or in part, a rural area, and that has received a site development grant under this section.

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

(b) SITE DEVELOPMENT GRANTS AND TECHNICAL ASSISTANCE PROGRAM.—

(1) SITE DEVELOPMENT GRANTS.—

(A) IN GENERAL.—The Secretary shall establish a process and criteria to award site development grants to qualified PACE providers that have been approved to serve a geographic service area that is, in whole or in part, a rural area.

(B) AMOUNT PER AWARD.—A site development grant awarded under subparagraph (A) to any individual rural PACE pilot site shall not exceed $750,000.

(C) NUMBER OF AWARDS.—Not more than 15 rural PACE pilot sites shall be awarded a site development grant under subparagraph (A).

(D) USE OF FUNDS.—Funds made available under a site development grant awarded under subparagraph (A) may be used for the following expenses only to the extent such expenses are incurred in relation to establishing or delivering PACE program services in a rural area:

(i) Feasibility analysis and planning.

(ii) Interdisciplinary team development.

(iii) Development of a provider network, including contract development.

(iv) Development or adaptation of claims processing systems.

(v) Preparation of special education and outreach efforts required for the PACE program.

(vi) Development of expense reporting required for calculation of outlier payments or reconciliation processes.

(vii) Development of any special quality of care or patient satisfaction data collection efforts.

(viii) Establishment of a working capital fund to sustain fixed administrative, facility, or other fixed costs until the provider reaches sufficient enrollment size.

(ix) Startup and development costs incurred prior to the approval of the rural PACE pilot site's PACE provider application by CMS.

(x) Any other efforts determined by the rural PACE pilot site to be critical to its successful startup, as approved by the Secretary.

(E) APPROPRIATION.—

(i) IN GENERAL.—Out of funds in the Treasury not otherwise appropriated, there are appropriated to the Secretary to carry out this subsection for the period of fiscal years 2006 through 2007, $7,500,000.

(ii) AVAILABILITY.—Funds appropriated under clause (i) shall remain available for expenditure through fiscal year 2010.

(2) TECHNICAL ASSISTANCE PROGRAM.—The Secretary shall establish a technical assistance program to provide—

(A) outreach and education to State agencies and provider organizations interested in establishing PACE programs in rural areas; and

(B) technical assistance necessary to support rural PACE pilot sites.

(c) COST OUTLIER PROTECTION FOR RURAL PACE PILOT SITES.—

(1) ESTABLISHMENT OF FUND FOR REIMBURSEMENT OF OUTLIER COSTS.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the Secretary shall establish an outlier fund to reimburse rural PACE pilot sites for outlier costs (as defined in subparagraph (B)) incurred for eligible participants who reside in a rural area in accordance with the expense payment specified in subparagraph (C).

(B) OUTLIER COSTS DEFINED.—

(i) IN GENERAL.—In subparagraph (A), the term ''outlier costs'' means the inpatient and related physician and ancillary costs in excess of $50,000 incurred within a given 12-month period for an eligible participant who resides in a rural area.

(ii) INCLUSION IN ONLY 1 PERIOD.—Outlier costs may not be included in more than one 12-month period for purposes of calculating an outlier expense payment under subparagraph (C).

(C) OUTLIER EXPENSE PAYMENT.—

(i) PAYMENT FOR OUTLIER COSTS.—Subject to clause (ii), in the case of a rural PACE pilot site that has incurred outlier costs for an eligible participant, the rural PACE pilot site shall receive an outlier expense payment equal to 80 percent of such costs.

(ii) LIMITATIONS.—

(I) COSTS INCURRED PER ELIGIBLE PARTICIPANT.—The total amount of outlier expense payments made under clause (i) to a rural PACE pilot site for outlier costs incurred with respect to an eligible participant shall not exceed $100,000 for the 12-month period used to calculate the payment.

(II) COSTS INCURRED PER PROVIDER.—No rural PACE pilot site may receive more than $500,000 in total outlier expense payments in a 12-month period.

(III) LIMITATION OF OUTLIER COST REIMBURSEMENT PERIOD.—A rural PACE pilot site shall only receive outlier expense payments under this subparagraph with respect to outlier costs incurred during the first 3 years of the site's operation.

(D) REQUIREMENT TO ACCESS RISK RESERVES PRIOR TO PAYMENT.—A rural PACE pilot site shall access and exhaust any risk reserves held or arranged for the provider (other than revenue or reserves maintained to satisfy the requirements of section 460.80(c) of title 42, Code of Federal Regulations) and any working capital established through a site development grant awarded under subsection (b)(1), prior to receiving any payment from the outlier fund.

(E) APPROPRIATION.—

(i) IN GENERAL.—Out of funds in the Treasury not otherwise appropriated, there are appropriated to the Secretary to carry out this subsection for the period of fiscal years 2006 through 2007, $10,000,000.

(ii) AVAILABILITY.—Funds appropriated under clause (i) shall remain available for expenditure through fiscal year 2010.

(d) EVALUATION OF PACE PROVIDERS SERVING RURAL SERVICE AREAS.—Not later than 60 months after the date of enactment of this Act, the Secretary shall submit a report to Congress containing an evaluation of the experience of rural PACE pilot sites.

(e) AMOUNTS IN ADDITION TO PAYMENTS UNDER SOCIAL SECURITY ACT.—Any amounts paid under the authority of this section to a PACE provider shall be in addition to payments made to the provider under section 1894 or 1934 of the Social Security Act (42 U.S.C. 1395eee; 1396u–4).

SEC. 6114. WAIVER OF PART B LATE ENROLLMENT PENALTY FOR CERTAIN INTERNATIONAL VOLUNTEERS.

(a) IN GENERAL.—

(1) WAIVER OF PENALTY.—Section 1839(b)(42 U.S.C. 1395r(b)) is amended in the second sentence by inserting the following before the period at the end: ''or months for which the individual can demonstrate that the individual was an individual described in section 1837(k)(3)''.

(2) SPECIAL ENROLLMENT PERIOD.—

(A) IN GENERAL.—Section 1837 (42 U.S.C. 1395p) is amended by adding at the end the following new subsection:

''(k)(1) In the case of an individual who—

''(A) at the time the individual first satisfies paragraph (1) or (2) of section 1836, is described in paragraph (3), and has elected not to enroll (or to be deemed enrolled) under this section during the individual's initial enrollment period; or

''(B) has terminated enrollment under this section during a month in which the individual is described in paragraph (3),

there shall be a special enrollment period described in paragraph (2).

''(2) The special enrollment period referred to in paragraph (1) is the 6-month period beginning on the first day of the month which includes the date that the individual is no longer described in paragraph (3).

''(3) For purposes of paragraph (1), an individual described in this paragraph is an individual that is serving as a volunteer outside of the United States through a program—

''(A) that covers at least a 12-month period; and

''(B) that is sponsored by an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code.''.

(B) COVERAGE PERIOD.—Section 1838 (42 U.S.C. 1395q) is amended by adding at the end the following new subsection:

''(f) Notwithstanding subsection (a), in the case of an individual who enrolls during a special enrollment period pursuant to section 1837(k), the coverage period shall begin on the first day of the month following the month in which the individual so enrolls.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a)(1) shall apply to months beginning with January 2007 and the amendments made by subsection (a)(2) shall take effect on January 1, 2007.

SEC. 6115. DELIVERY OF SERVICES AT FEDERALLY QUALIFIED HEALTH CENTERS.

(a) COVERAGE.—

(1) IN GENERAL.—Section 1861(aa)(3) (42 U.S.C. 1395x(aa)(3)) is amended—

(A) in subparagraph (A), by striking '', and'' and inserting ''and services described in subsections (qq) and (vv); and'';

(B) in subparagraph (B), by striking ''sections 329, 330, and 340'' and inserting ''section 330''; and

(C) in the flush matter at the end, by inserting ''by the center or by a health care professional under contract with the center'' after ''outpatient of a Federally qualified health center''.

(2) CONSOLIDATED BILLING.—The first sentence of section 1842(b)(6)(F) (42 U.S.C. 1395u(b)(6)(F)) is amended—

(A) by striking ''and (G)'' and inserting ''(G)''; and

(B) by inserting before the period at the end the following: '', and (H) in the case of services described in section 1861(aa)(3) that

are furnished by a health care professional under contract with a Federally qualified health center, payment shall be made to the center''.

(b) TECHNICAL CORRECTIONS.—Clauses (i) and (ii)(II) of section 1861(aa)(4)(A) (42 U.S.C. 1395x(aa)(4)(A)) are each amended by striking ''(other than subsection (h))''.

(c) EFFECTIVE DATES.—The amendments made by this section shall apply to services furnished on or after January 1, 2006.

SEC. 6116. TECHNICAL CORRECTION REGARDING PURCHASE AGREEMENTS FOR POWER-DRIVEN WHEELCHAIRS.

(a) IN GENERAL.—Section 1834(a)(7)(A) (42 U.S.C. 1395m(a)(7)(A)), as amended by section 6109 of this Act, is amended—

(1) in clause (i)(I), by striking ''Payment'' and inserting ''Except as provided in clause (iii), payment''; and

(2) by adding at the end the following new clause:

''(iii) PURCHASE AGREEMENT OPTION FOR POWER-DRIVEN WHEELCHAIRS.—

''(I) IN GENERAL.—In the case of a power-driven wheelchair, at the time the supplier furnishes the item, the supplier shall offer the individual the option to purchase the item, and payment for such item shall be made on a lump-sum basis if the individual exercises such option.

''(II) MAINTENANCE AND SERVICING.—In the case of a power-driven wheelchair for which a purchase agreement has been entered into under subclause (I), maintenance and servicing payments shall, if the Secretary determines such payments are reasonable and necessary, be made (for parts and labor not covered by the supplier's or manufacturer's warranty, as determined by the Secretary to be appropriate), and such payments shall be in an amount determined to be appropriate by the Secretary.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to items furnished on or after October 1, 2006.

SEC. 6117. MEDICARE COVERAGE OF ULTRASOUND SCREENING FOR ABDOMINAL AORTIC ANEURYSMS; NATIONAL EDUCATIONAL AND INFORMATION CAMPAIGN.

(a) IN GENERAL.—Section 1861 (42 U.S.C. 1395x) is amended—

(1) in subsection (s)(2)—

(A) by striking ''and'' at the end of subparagraph (Y);

(B) by adding ''and'' at the end of subparagraph (Z); and

(C) by adding at the end the following new subparagraph:

''(AA) ultrasound screening for abdominal aortic aneurysm (as defined in subsection (bbb)) for an individual—

''(i) who receives a referral for such an ultrasound screening as a result of an initial preventive physical examination (as defined in section 1861(ww)(1));

''(ii) who has not been previously furnished such an ultrasound screening under this title; and

''(iii) who—

''(I) has a family history of abdominal aortic aneurysm; or

''(II) manifests risk factors included in a beneficiary category (not including categories related to age) recommended for screening by the United States Preventive Services Task Force regarding abdominal aortic aneurysms;''; and

(2) by adding at the end the following new subsection:

''Ultrasound Screening for Abdominal Aortic Aneurysm

''(bbb) The term 'ultrasound screening for abdominal aortic aneurysm' means—

''(1) a procedure using sound waves (or such other procedures using alternative technologies, of commensurate accuracy and cost, that the Secretary may specify) provided for the early detection of abdominal aortic aneurysm; and

''(2) includes a physician's interpretation of the results of the procedure.''.

(b) INCLUSION OF ULTRASOUND SCREENING FOR ABDOMINAL AORTIC ANEURYSM IN SCREENING SERVICES FOR WHICH EDUCATION, COUNSELING, AND REFERRAL IS PROVIDED FOR UNDER BENEFITS FOR INITIAL PREVENTIVE PHYSICAL EXAMINATION.—Section 1861(ww)(2) (42 U.S.C. 1395x(ww)(2)) is amended by adding at the end the following new subparagraph:

''(L) Ultrasound screening for abdominal aortic aneurysm as defined in section 1861(bbb).''.

(c) PAYMENT FOR ULTRASOUND SCREENING FOR ABDOMINAL AORTIC ANEURYSM.—Section 1848(j)(3) (42 U.S.C. 1395w–4(j)(3)) is amended by inserting ''(2)(AA),'' after ''(2)(W),''.

(d) FREQUENCY AND QUALITY STANDARDS.—Section 1862(a)(1) (42 U.S.C. 1395y(a)(1)) is amended—

(1) by striking ''and'' at the end of subparagraph (L);

(2) by striking the semicolon at the end of subparagraph (M) and inserting '', and''; and

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

''(N) in the case of ultrasound screening for abdominal aortic aneurysm—

''(i) which is performed more frequently than is provided for under section 1861(s)(2)(AA); or

''(ii) which is performed by an individual or diagnostic laboratory that does not meet quality assurance standards that the Secretary, in consultation with national medical, vascular technologist and sonographer societies, shall establish, including with respect to individuals performing ultrasound screening for abdominal aortic aneurysm (other than physicians) and diagnostic laboratories, that the individual or laboratory is certified by the appropriate State licensing or certification agency or, in the case of a service performed in a State that does not license or certify such individuals or laboratories, by a national certification or accreditation organization recognized by the Secretary;''.

(e) NON-APPLICATION OF PART B DEDUCTIBLE.—Section 1833(b) (42 U.S.C. 1395l(b)) is amended in the first sentence—

(1) by striking ''and (6)'' and inserting ''(6)''; and

(2) by inserting '', and (7) such deductible shall not apply with respect to ultrasound screening for abdominal aortic aneurysm (as defined in section 1861(bbb))'' before the period at the end.

(f) NATIONAL EDUCATIONAL AND INFORMATION CAMPAIGN.—

(1) IN GENERAL.—After consultation with national medical, vascular technologist, and sonographer societies, the Secretary of Health and Human Services shall carry out a national education and information campaign to promote awareness among health care practitioners and the general public with respect to the importance of early detection and treatment of abdominal aortic aneurysms.

(2) USE OF FUNDS.—The Secretary may use amounts appropriated pursuant to this subsection to make grants to national medical, vascular technologist, and sonographer societies (in accordance with procedures and criteria specified by the Secretary) to enable them to educate practitioners and providers about matters relating to such aneurysms.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated for fiscal year 2006 and each fiscal year thereafter such sums as may be necessary to carry out this subsection.

(g) EFFECTIVE DATE.—The amendments made by this section shall apply to ultrasound screenings for abdominal aortic aneurysm performed on or after January 1, 2007.

SEC. 6118. IMPROVING PATIENT ACCESS TO, AND UTILIZATION OF, COLORECTAL CANCER SCREENING UNDER MEDICARE.

(a) INCREASE IN PART B REIMBURSEMENT FOR COLORECTAL CANCER SCREENING AND DIAGNOSTIC TESTS.—

(1) IN GENERAL.—Section 1834(d) (42 U.S.C. 1395m(d)) is amended by adding at the end the following new paragraph:

''(4) ENHANCED PART B PAYMENT FOR COLORECTAL CANCER SCREENING AND DIAGNOSTIC TESTS.—

''(A) NONFACILITY RATES.—Notwithstanding paragraphs (2)(A) and (3)(A), the Secretary shall establish national minimum payment amounts for CPT codes 45378, 45380, and 45385, and HCPCS codes G0105 and GO121 for items and services furnished on or after January 1, 2007, which reflect a 5-percent increase above the relative value units in effect as the nonfacility rates for such codes on December 31, 2006, with such revised payment level to apply to items and services performed in a nonfacility setting.

''(B) FACILITY RATES.—Notwithstanding paragraphs (2)(A) and (3)(A), the Secretary shall establish national minimum payment amounts for CPT codes 45378, 45380, and 45385, and HCPCS codes G0105 and GO121 for items and services furnished on or after January 1, 2007, which reflect a 5-percent increase above the relative value units in effect as the facility rates for such codes on December 31, 2006, with such revised payment level to apply to items and services performed in a facility setting.

''(C) ANNUAL ADJUSTMENTS.—In the case of items and services furnished on or after January 1, 2007, the payment rates described in subparagraphs (A) and (B) shall, subject to the minimum payment amounts established in such subparagraphs, be adjusted annually as provided in section 1848.''.

(2) NO EFFECT ON HOPD PAYMENTS.—The Secretary shall not take into account the provisions of section 1834(d)(4) of the Social Security Act, as added by subsection (a), in determining the amount of payment for any covered OPD service under the prospective payment system for hospitals outpatient department services under section 1833(t) of such Act (42 U.S.C. 1395l(t)).

(b) MEDICARE COVERAGE OF OFFICE VISIT OR CONSULTATION PRIOR TO A SCREENING COLONOSCOPY OR IN CONJUNCTION WITH A BENEFICIARY'S DECISION TO OBTAIN SUCH A SCREENING.—

(1) COVERAGE.—Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)), as amended by section 6117, is amended—

(A) in subparagraph (Z), by striking ''and'' at the end;

(B) in subparagraph (AA), by inserting ''and'' at the end; and

(C) by adding at the end the following new subparagraph:

''(BB) an outpatient office visit or consultation for the purpose of beneficiary education, assuring selection of the proper screening test, and securing information relating to the procedure and sedation of the beneficiary, prior to a colorectal cancer screening test consisting of a screening colonoscopy or in conjunction with the beneficiary's decision to obtain such a screening, regardless of whether such screening is medically indicated with respect to the beneficiary;''.

(2) PAYMENT.—

(A) IN GENERAL.—Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)) is amended—

(i) by striking ''and'' before ''(V)''; and

(ii) by inserting before the semicolon at the end the following: '', and (W) with respect to an outpatient office visit or consultation under section 1861(s)(2)(BB), the amounts paid shall be 80 percent of the lesser of the actual charge or the amount established under section 1848''.

(B) PAYMENT UNDER PHYSICIAN FEE SCHEDULE.—Section 1848(j)(3) (42 U.S.C. 1395w–4(j)(3)), as amended by section 6117, is amended by inserting ''(2)(BB),'' after ''(2)(AA),''.

(C) REQUIREMENT FOR ESTABLISHMENT OF PAYMENT AMOUNT UNDER PHYSICIAN FEE SCHEDULE.—Section 1834(d) (42 U.S.C. 1395m(d)), as amended by subsection (a), is amended by adding at the end the following new paragraph:

''(5) PAYMENT FOR OUTPATIENT OFFICE VISIT OR CONSULTATION PRIOR TO SCREENING COLONOSCOPY.—With respect to an outpatient office visit or consultation under section 1861(s)(2)(BB), payment under section 1848 shall be consistent with the payment amounts for CPT codes 99203 and 99243.''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to items and services provided on or after January 1, 2007.

(c) WAIVER OF DEDUCTIBLE FOR COLORECTAL CANCER SCREENING TESTS.—

(1) IN GENERAL.—Section 1833(b) (42 U.S.C. 1395l(b)), as amended by section 6117, is amended in the first sentence—

(A) by striking ''and'' before ''(7)''; and

(B) by inserting before the period at the end the following: '', and (8) such deductible shall not apply with respect to colorectal cancer screening tests (as described in section 1861(pp)(1))''.

(2) CONFORMING AMENDMENTS.—Paragraphs (2)(C)(ii) and (3)(C)(ii) of section 1834(d) (42 U.S.C. 1395m(d)) are each amended—

(A) by striking ''DEDUCTIBLE AND'' in the heading; and

(B) in subclause (I), by striking ''deductible or'' each place it appears.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to items and services furnished on or after January 1, 2007.

SEC. 6119. COVERAGE OF MARRIAGE AND FAMILY THERAPIST SERVICES AND MENTAL HEALTH COUNSELOR SERVICES UNDER PART B OF THE MEDICARE PROGRAM.

(a) COVERAGE OF SERVICES.—

(1) IN GENERAL.—Section 1861(s)(2) (42 U.S.C. 1395x(s)(2)), as amended by section 6118(b), is amended—

(A) in subparagraph (AA), by striking ''and'' after the semicolon at the end;

(B) in subparagraph (BB), by inserting ''and'' after the semicolon at the end; and

(C) by adding at the end the following new subparagraph:

''(CC) marriage and family therapist services (as defined in subsection (ccc)(1)) and mental health counselor services (as defined in subsection (ccc)(3));''.

(2) DEFINITIONS.—Section 1861 (42 U.S.C. 1395x), as amended by section 6117, is amended by adding at the end the following new subsection:

''Marriage and Family Therapist Services; Marriage and Family Therapist; Mental Health Counselor Services; Mental Health Counselor

''(ccc)(1) The term 'marriage and family therapist services' means services performed by a marriage and family therapist (as defined in paragraph (2)) for the diagnosis and treatment of mental illnesses, which the marriage and family therapist is legally authorized to perform under State law (or the State regulatory mechanism provided by State law) of the State in which such services are performed, as would otherwise be covered if furnished by a physician or as an incident to a physician's professional service, but only if no facility or other provider charges or is paid any amounts with respect to the furnishing of such services.

''(2) The term 'marriage and family therapist' means an individual who—

''(A) possesses a master's or doctoral degree which qualifies for licensure or certification as a marriage and family therapist pursuant to State law;

''(B) after obtaining such degree has performed at least 2 years of clinical supervised experience in marriage and family therapy; and

''(C) in the case of an individual performing services in a State that provides for licensure or certification of marriage and family therapists, is licensed or certified as a marriage and family therapist in such State.

''(3) The term 'mental health counselor services' means services performed by a mental health counselor (as defined in paragraph (4)) for the diagnosis and treatment of mental illnesses which the mental health counselor is legally authorized to perform under State law (or the State regulatory mechanism provided by the State law) of the State in which such services are performed, as would otherwise be covered if furnished by a physician or as incident to a physician's professional service, but only if no facility or other provider charges or is paid any amounts with respect to the furnishing of such services.

''(4) The term 'mental health counselor' means an individual who—

''(A) possesses a master's or doctor's degree in mental health counseling or a related field;

''(B) after obtaining such a degree has performed at least 2 years of supervised mental health counselor practice; and

''(C) in the case of an individual performing services in a State that provides for licensure or certification of mental health counselors or professional counselors, is licensed or certified as a mental health counselor or professional counselor in such State.''.

(3) PROVISION FOR PAYMENT UNDER PART B.—Section 1832(a)(2)(B) (42 U.S.C. 1395k(a)(2)(B)) is amended by adding at the end the following new clause:

''(v) marriage and family therapist services and mental health counselor services;''.

(4) AMOUNT OF PAYMENT.—Section 1833(a)(1) (42 U.S.C. 1395l(a)(1)), as amended by section 6118, is amended—

(A) by striking ''and (W)'' and inserting ''(W)''; and

(B) by inserting before the semicolon at the end the following: '', and (X) with respect to marriage and family therapist services and mental health counselor services under section 1861(s)(2)(CC), the amounts paid shall be 80 percent of the lesser of the actual charge for the services or 75 percent of the amount determined for payment of a psychologist under subparagraph (L)''.

(5) EXCLUSION OF MARRIAGE AND FAMILY THERAPIST SERVICES AND MENTAL HEALTH COUNSELOR SERVICES FROM SKILLED NURSING FACILITY PROSPECTIVE PAYMENT SYSTEM.—Section 1888(e)(2)(A)(ii) (42 U.S.C. 1395yy(e)(2)(A)(ii)) is amended by inserting ''marriage and family therapist services (as defined in section 1861(ccc)(1)), mental health counselor services (as defined in section 1861(ccc)(3)),'' after ''qualified psychologist services,''.

(6) INCLUSION OF MARRIAGE AND FAMILY THERAPISTS AND MENTAL HEALTH COUNSELORS AS PRACTITIONERS FOR ASSIGNMENT OF CLAIMS.—Section 1842(b)(18)(C) (42 U.S.C. 1395u(b)(18)(C)) is amended by adding at the end the following new clauses:

''(vii) A marriage and family therapist (as defined in section 1861(ccc)(2)).

''(viii) A mental health counselor (as defined in section 1861(ccc)(4)).''.

(b) COVERAGE OF CERTAIN MENTAL HEALTH SERVICES PROVIDED IN CERTAIN SETTINGS.—

(1) RURAL HEALTH CLINICS AND FEDERALLY QUALIFIED HEALTH CENTERS.—Section 1861(aa)(1)(B) (42 U.S.C. 1395x(aa)(1)(B)) is amended by striking ''or by a clinical social worker (as defined in subsection (hh)(1)),'' and inserting '', by a clinical social worker (as defined in subsection (hh)(1)), by a marriage and family therapist (as defined in subsection (ccc)(2)), or by a mental health counselor (as defined in subsection (ccc)(4)),''.

(2) HOSPICE PROGRAMS.—Section 1861(dd)(2)(B)(i)(III) (42 U.S.C. 1395x(dd)(2)(B)(i)(III)) is amended by inserting ''or one marriage and family therapist (as defined in subsection (bbb)(2))'' after ''social worker''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to services furnished on or after January 1, 2007.

SEC. 6120. QUALITY MEASUREMENT SYSTEMS AMENDMENTS.

Section 1860E–1 , as added by section 6110(a)(2), is amended—

(1) in subsection (b)(1)—

(A) in subparagraph (B)—

(i) in clause (vi), by striking ''and'' at the end;

(ii) in clause (vii), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following new clause:

''(viii) measures that address conditions where there is the greatest disparity of health care provided and health outcomes between majority and minority groups.''; and

(B) in subparagraph (E)—

(i) in clause (v), by striking ''and'' at the end;

(ii) by redesignating clause (vi) as clause (vii); and

(iii) by inserting after clause (v) the following new clause:

''(vi) allows quality measures that are reported to be stratified according to patient group characteristics, and'';

(2) in subsection (c)(4)—

(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 new subparagraph:

''(D) The report commissioned by Congress from the Institute of Medicine of the National Academy of Sciences, titled 'Unequal Treatment: Confronting Racial and Ethnic Disparities in Health Care'.''; and

(3) in subsection (d)(2), by inserting ''experts in minority health,'' after ''government agencies,''.

TITLE VII—COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Subtitle A—Education Provisions

CHAPTER 1—EDUCATION

SEC. 7101. PROVISIONAL GRANT ASSISTANCE PROGRAM.

(a) AMENDMENT.—Subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a) is amended by adding at the end the following:

''SEC. 401A. PROVISIONAL GRANT ASSISTANCE PROGRAM.

''(a) GRANTS.—

''(1) IN GENERAL.—From amounts appropriated under subsection (e) for a fiscal year and subject to subsection (b), the Secretary shall award grants to students (which shall be known as 'ProGAP awards') in the same

manner as the Secretary awards grants to students under section 401, except that—

''(A) at the beginning of each award year, the Secretary shall establish a maximum and minimum award level based on amounts made available under subsection (e);

''(B) the Secretary shall only award grants under this section to students eligible for a grant under section 401 for the award year; and

''(C) when determining eligibility for the awards, the Secretary shall consider only those students who are eligible for a grant under section 401, as of June 30 of the award year for which the determination is made.

''(D) the Secretary—

''(i) shall determine if an increase in the amount of a grant under this section is needed to help encourage students to pursue courses of study that are important to the current and future national, homeland, and economic security needs of the United States; and

''(ii) after making the determination described in clause (i), may increase the maximum and minimum award level established under subparagraph (A) by not more than 25 percent, for students eligible for a grant under this section who are pursuing a degree with a major in mathematics, science, technology, engineering, or a foreign language that is critical to the national security of the United States; and

''(E) not later than September 30 of each fiscal year, the Secretary shall notify Congress, in writing, of the Secretary's determination with respect to subparagraph (D)(i) and of any increase in award levels under subparagraph (D)(ii).

''(2) STUDENTS WITH THE GREATEST NEED.—The Secretary shall ensure grants are awarded under this section to students with the greatest need as determined in accordance with section 471.

''(b) COST OF ATTENDANCE LIMITATION.—A grant awarded under this section for an award year shall be awarded in an amount that does not exceed—

''(1) the student's cost of attendance for the award year; less

''(2) an amount equal to the expected family contribution for that student for the award year.

''(c) SUPPLEMENT NOT SUPPLANT.—Grants awarded from funds made available under subsection (e) shall be used to supplement, and not supplant, other Federal, State, or institutional grant funds.

''(d) USE OF EXCESS FUNDS.—

''(1) 15 PERCENT OR LESS.—If, at the end of a fiscal year, the funds available for making grant payments under this section exceed the amount necessary to make the grant payments required under this section to eligible students by 15 percent or less, then all of the excess funds shall remain available for making grant payments under this section during the next succeeding fiscal year.

''(2) MORE THAN 15 PERCENT.—If, at the end of a fiscal year, the funds available for making grant payments under this section exceed the amount necessary to make the grant payments required under this section to eligible students by more than 15 percent, then all of such funds shall remain available for making such grant payments but grant payments may be made under this paragraph only with respect to awards for that fiscal year.''.

''(e) AUTHORIZATION AND APPROPRIATION OF FUNDS.—There are authorized to be appropriated, and there are appropriated, out of any money in the Treasury not otherwise appropriated, for the Department of Education to carry out this section and section 401B—

''(1) $1,897,000,000 for fiscal year 2006;

''(2) $1,901,000,000 for fiscal year 2007;

''(3) $1,899,000,000 for fiscal year 2008;

''(4) $1,898,000,000 for fiscal year 2009; and

''(5) $1,897,000,000 for fiscal year 2010.

''(f) SUNSET PROVISION.—This section shall be effective with respect to amounts appropriated for fiscal year 2006 and each of the 4 succeeding fiscal years.''.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the amounts appropriated to carry out sections 401A and 401B of the Higher Education Act of 1965 are the result of the savings generated by the amendments made by this chapter.

SEC. 7102. NATIONAL SMART GRANTS.

Subpart 1 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a) is further amended by adding after section 401A (as added by section 7101):

''SEC. 401B. NATIONAL SMART GRANTS.

''(a) FINDINGS.—Congress makes the following findings:

''(1) If the United States is to remain a world leader in the global economy, its college students must have the training they need to compete for the best jobs of the 21st century.

(2) The United States intelligence community faces major shortages in foreign languages critical to national security, and will also require major incentives to fill projected workforce needs.

''(3) Increasingly, the best jobs of the 21st century will require baccalaureate degrees in the sciences, mathematics, technology, engineering, and foreign languages critical to national security, or be generated by people who have such degrees.

''(4) Congress should establish a National Science and Mathematics Access to Retain Talent (SMART) grant program to meet the goals described in paragraphs (1) through (3).

''(b) PURPOSE.—The purpose of this section is to increase the number of postsecondary students from low-income backgrounds who are enrolled in studies leading to baccalaureate degrees in physical, life, or computer sciences, mathematics, technology, engineering, and foreign languages critical to national security.

''(c) GRANTS AUTHORIZED.—From amounts appropriated under section 401A(c) for a fiscal year, the Secretary shall award grants to eligible students to assist the eligible students in paying their college education expenses.

''(d) DESIGNATION.—A grant under this section shall be known as a 'National Science and Mathematics Access to Retain Talent Grant' or a 'National SMART Grant'.

''(e) DEFINITION OF ELIGIBLE STUDENT.—In this section the term 'eligible student' means a student who, for the academic year for which the determination is made—

''(1) is eligible for a Federal Pell Grant; and

''(2) is in the student's 3rd or 4th year at an institution of higher education majoring in—

''(A) mathematics, science, technology, or engineering (as determined by the Secretary pursuant to regulations); or

''(B) a foreign language that the Secretary, in consultation with the Director of National Intelligence, determines is critical to the national security of the United States.

''(f) GRANT AMOUNT.—The Secretary shall award a grant under this section in an amount that does not exceed $1,500 for an academic year.

''(g) FUNDING RULE.—The Secretary shall use not more than $450,000,000 of the funds appropriated under section 401A(c) for each of the fiscal years 2006 through 2010 to carry out this section.

''(h) UNOBLIGATED FUNDS AVAILABLE FOR FEDERAL GRANT ASSISTANCE.—The Secretary shall make any funds made available under subsection (g) for a fiscal year that remain unobligated at the end of the fiscal year available to carry out section 401A.

''(i) MATCHING ASSISTANCE.—An institution of higher education may, from funds provided from private sources, provide additional assistance to a student receiving a grant under this section, except that the total assistance provided under this title to a student shall not exceed the student's cost of attendance.''.

SEC. 7103. LOAN LIMITS.

(a) FEDERAL INSURANCE LIMITS.—Section 425(a)(1)(A) of the Higher Education Act of 1965 (20 U.S.C. 1075(a)(1)(A)) is amended—

(1) in clause (i)(I), by striking ''$2,625'' and inserting ''$3,500''; and

(2) in clause (ii)(I), by striking ''$3,500'' and inserting ''$4,500''.

(b) GUARANTEE LIMITS.—Section 428(b)(1)(A) of the Higher Education Act of 1965 (20 U.S.C. 1078(b)(1)(A)) is amended—

(1) in clause (i)(I), by striking ''$2,625'' and inserting ''$3,500''; and

(2) in clause (ii)(I), by striking ''$3,500'' and inserting ''$4,500''.

(c) FEDERAL PLUS LOANS.—Section 428B of the Higher Education Act of 1965 (20 U.S.C. 1078–2) is amended—

(1) in subsection (a)(1)—

(A) in the matter preceding subparagraph (A), by striking ''Parents'' and inserting ''A graduate or professional student or the parents'';

(B) in subparagraph (A), by striking ''the parents'' and inserting ''the graduate or professional student or the parents''; and

(C) in subparagraph (B), by striking ''the parents'' and inserting ''the graduate or professional student or the parents'';

(2) in subsection (b), by striking ''any parent'' and inserting ''any graduate or professional student or any parent'';

(3) in subsection (c)(2), by striking ''parent'' and inserting ''graduate or professional student or parent''; and

(4) in subsection (d)(1), by striking ''the parent'' and inserting ''the graduate or professional student or the parent''.

(d) UNSUBSIDIZED STAFFORD LOANS FOR GRADUATE OR PROFESSIONAL STUDENTS.—Section 428H(d)(2) of the Higher Education Act of 1965 (20 U.S.C. 1078–8(d)(2)) is amended—

(1) in subparagraph (C), by striking ''$10,000'' and inserting ''$12,000''; and

(2) in subparagraph (D)—

(A) in clause (i), by striking ''$5,000'' and inserting ''$7,000''; and

(B) in clause (ii), by striking ''$5,000'' and inserting ''$7,000''.

SEC. 7104. PLUS LOAN INTEREST RATES AND ZERO SPECIAL ALLOWANCE PAYMENT.

(a) PLUS LOANS.—Section 427A(l)(2) of the Higher Education Act of 1965 (20 U.S.C. 1077a(l)(2)) is amended by striking ''7.9 percent'' and inserting ''8.5 percent''.

(b) CONFORMING AMENDMENTS FOR SPECIAL ALLOWANCES.—

(1) AMENDMENTS.—Subparagraph (I) of section 438(b)(2) of the Higher Education Act of 1965 (20 U.S.C. 1087–1(b)(2)) is amended—

(A) in clause (iv), by striking '', subject to clause (vi) of this subparagraph'';

(B) in clause (v), by striking ''July 1, 2006'' each place it appears and inserting ''April 1, 2006''; and

(C) by striking clauses (vi) and (vii) and inserting the following:

''(vi) RECAPTURE OF EXCESS INTEREST.—

''(I) EXCESS CREDITED.—With respect to a loan on which the applicable interest rate is determined under subsection (k) or (l) of section 427A and for which the first disbursement of principal is made on or after April 1, 2006, if the applicable interest rate for any 3-month period exceeds the special allowance support level applicable to such loan under this subparagraph for such period, then an adjustment shall be made by calculating the

excess interest in the amount computed under subclause (II) of this clause, and by crediting the excess interest to the Government not less often than annually.

''(II) CALCULATION OF EXCESS.—The amount of any adjustment of interest on a loan to be made under this subsection for any quarter shall be equal to—

''(aa) the applicable interest rate minus the special allowance support level determined under this subparagraph; multiplied by

''(bb) the average daily principal balance of the loan (not including unearned interest added to principal) during such calendar quarter; divided by

''(cc) four.

''(III) SPECIAL ALLOWANCE SUPPORT LEVEL.—For purposes of this clause, the term 'special allowance support level' means, for any loan, a number expressed as a percentage equal to the sum of the rates determined under subclauses (I) and (III) of clause (i), and applying any substitution rules applicable to such loan under clauses (ii), (iii), and (iv) in determining such sum.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall not apply with respect to any special allowance payment made under section 438 of the Higher Education Act of 1965 (20 U.S.C 1087–1) before April 1, 2006.

SEC. 7105. REDUCTION OF LENDER INSURANCE REIMBURSEMENT RATES.

(a) AMENDMENT.—Subparagraph (G) of section 428(b)(1) of the Higher Education Act of 1965 (20 U.S.C. 1078(b)(1)) is amended to read as follows:

''(G) insures 97 percent of the unpaid principal of loans insured under the program;''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to any loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) for which the first disbursement is made on or after January 1, 2006.

SEC. 7106. GUARANTY AGENCY ORIGINATION FEE.

(a) AMENDMENT.—Section 428(b)(1)(H) of the Higher Education Act of 1965 (20 U.S.C. 1078(b)(1)(H)) is amended to read as follows:

''(H) provides for the collection, and the deposit in the Federal Fund established under section 422A(a), of a guaranty agency origination fee of 1.0 percent of each disbursement of the proceeds of the loan, which fee may be provided from funds in the guaranty agency's operating fund under section 422B or from other non-Federal funds;''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be effective with respect to any loan disbursed under part B of title IV of the Higher Education Act of 1965 on or after April 1, 2006.

SEC. 7107. DEFERMENT OF STUDENT LOANS FOR MILITARY SERVICE.

(a) FEDERAL FAMILY EDUCATION LOANS.—Section 428(b)(1)(M) of the Higher Education Act of 1965 (20 U.S.C. 1078(b)(1)(M)) is amended—

(1) by striking ''or'' at the end of clause (ii);

(2) by redesignating clause (iii) as clause (iv); and

(3) by inserting after clause (ii) the following new clause:

''(iii) not in excess of 3 years during which the borrower—

''(I) is serving on active duty during a war or other military operation or national emergency; or

''(II) is performing qualifying National Guard duty during a war or other military operation or national emergency; or''.

(b) DIRECT LOANS.—Section 455(f)(2) of the Higher Education Act of 1965 (20 U.S.C. 1087e(f)(2)) is amended—

(1) by redesignating subparagraph (C) as subparagraph (D); and

(2) by inserting after subparagraph (B) the following new subparagraph:

''(C) not in excess of 3 years during which the borrower—

''(i) is serving on active duty during a war or other military operation or national emergency; or

''(ii) is performing qualifying National Guard duty during a war or other military operation or national emergency; or''.

(c) PERKINS LOANS.—Section 464(c)(2)(A) of the Higher Education Act of 1965 (20 U.S.C. 1087dd(c)(2)(A)) is amended—

(1) by redesignating clauses (iii) and (iv) as clauses (iv) and (v), respectively; and

(2) by inserting after clause (ii) the following new clause:

''(iii) not in excess of 3 years during which the borrower—

''(I) is serving on active duty during a war or other military operation or national emergency; or

''(II) is performing qualifying National Guard duty during a war or other military operation or national emergency;''.

(d) DEFINITIONS.—Section 481 of the Higher Education Act of 1965 (20 U.S.C. 1088) is amended by adding at the end the following new subsection:

''(d) DEFINITIONS FOR MILITARY DEFERMENTS.—For purposes of parts B, D, and E of this title:

''(1) ACTIVE DUTY.—The term 'active duty' has the meaning given such term in section 101(d)(1) of title 10, United States Code, except that such term does not include active duty for training or attendance at a service school.

''(2) MILITARY OPERATION.—The term 'military operation' means a contingency operation as such term is defined in section 101(a)(13) of title 10, United States Code.

''(3) NATIONAL EMERGENCY.—The term 'national emergency' means the national emergency by reason of certain terrorist attacks declared by the President on September 14, 2001, or subsequent national emergencies declared by the President by reason of terrorist attacks.

''(4) SERVING ON ACTIVE DUTY.—The term 'serving on active duty during a war or other military operation or national emergency' means service by an individual who is—

''(A) a Reserve of an Armed Force ordered to active duty under section 12301(a), 12301(g), 12302, 12304, or 12306 of title 10, United States Code, or any retired member of an Armed Force ordered to active duty under section 688 of such title, for service in connection with a war or other military operation or national emergency, regardless of the location at which such active duty service is performed; and

''(B) any other member of an Armed Force on active duty in connection with such emergency or subsequent actions or conditions who has been assigned to a duty station at a location other than the location at which such member is normally assigned.

''(5) QUALIFYING NATIONAL GUARD DUTY.—The term 'qualifying National Guard duty during a war or other military operation or national emergency' means service as a member of the National Guard on full-time National Guard duty (as defined in section 101(d)(5) of title 10, United States Code) under a call to active service authorized by the President or the Secretary of Defense for a period of more than 30 consecutive days under section 502(f) of title 32, United States Code, in connection with a war, other military operation, or a national emergency declared by the President and supported by Federal funds.''.

(e) RULE OF CONSTRUCTION.—Nothing in the amendments made by this section shall be construed to authorize any refunding of any repayment of a loan.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to loans for which the first disbursement is made on or after July 1, 2001.

SEC. 7108. RECOVERY THROUGH CONSOLIDATION.

Section 428(c) of the Higher Education Act of 1965 (20 U.S.C 1078(c)) is amended—

(1) in paragraph (2)(A)—

(A) by inserting ''(i)'' after ''including''; and

(B) by inserting before the semicolon at the end the following: ''and (ii) requirements establishing procedures to preclude consolidation lending from being an excessive proportion of guaranty agency recoveries on defaulted loans under this part'';

(2) in paragraph (2)(D), by striking ''paragraph (6)'' and inserting ''paragraph (6)(A)''; and

(3) in paragraph (6)—

(A) by inserting ''(A)'' before ''For the purposes of paragraph (2)(D),'';

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively; and

(C) by adding at the end the following new subparagraphs:

''(B) GUARANTY AGENCY OBLIGATIONS.—A guaranty agency shall—

''(i) on or after October 1, 2006—

''(I) not charge the borrower collection costs in an amount in excess of 18.5 percent of the outstanding principal and interest of a defaulted loan that is paid off through consolidation by the borrower under this title; and

''(II) remit to the Secretary a portion of the collection charge under subclause (I) equal to 8.5 percent of the outstanding principal and interest of such defaulted loan; and

''(ii) on and after October 1, 2009, remit to the Secretary the entire amount charged under clause (i)(I) with respect to each defaulted loan that is paid off with excess consolidation proceeds.

''(C) EXCESS CONSOLIDATION PROCEEDS.—For purposes of subparagraph (B), the term 'excess consolidation proceeds' means, with respect to any guaranty agency for any Federal fiscal year beginning on or after October 1, 2009, the proceeds of consolidation of defaulted loans under this title that exceed 45 percent of the agency's total collections on defaulted loans in such Federal fiscal year.''.

SEC. 7109. SINGLE HOLDER RULE.

Subparagraph (A) of section 428C(b)(1) of the Higher Education Act of 1965 (20 U.S.C. 1078–3(b)(1)) is amended by striking ''and (i)'' and all that follows through ''so selected for consolidation)''.

SEC. 7110. DEFAULT REDUCTION PROGRAM.

Section 428F(a)(1) of the Higher Education Act of 1965 (20 U.S.C. 1078–6(a)(1)) is amended—

(1) in subparagraph (A), by striking ''consecutive payments for 12 months'' and inserting ''9 payments made within 20 days of the due date during 10 consecutive months'';

(2) by redesignating subparagraph (C) as subparagraph (D); and

(3) by inserting after subparagraph (B) the following new subparagraph:

''(C) A guaranty agency may charge the borrower and retain collection costs in an amount not to exceed 18.5 percent of the outstanding principal and interest at the time of sale of a loan rehabilitated under subparagraph (A).''.

SEC. 7111. REQUIREMENTS FOR DISBURSEMENTS OF STUDENT LOANS.

Section 428G of the Higher Education Act of 1965 (20 U.S.C. 1078–7) is amended—

(1) in subsection (a)(3), by adding at the end the following: ''Notwithstanding section 422(d) of the Higher Education Amendments

of 1998, this paragraph shall be effective beginning on the date of enactment of the Higher Education Amendments of 2005.''; and

(2) in subsection (b)(1), by adding at the end the following: ''Notwithstanding section 422(d) of the Higher Education Amendments of 1998, the second sentence of this paragraph shall be effective beginning on the date of enactment of the Higher Education Amendments of 2005.''.

SEC. 7112. SPECIAL INSURANCE AND REINSURANCE RULES.

(a) REPEAL.—Section 428I of the Higher Education Act of 1965 (20 U.S.C. 1078–9) is repealed.

(b) CONFORMING AMENDMENTS.—Part A of title IV of the Higher Education Act of 1965 (20 U.S.C.1070 et seq.) is amended—

(1) in section 428(c)(1)—

(A) by striking subparagraph (D); and

(B) by redesignating subparagraphs (E) and (F) as subparagraphs (D) and (E), respectively; and

(2) in section 438(b)(5), by striking the matter following subparagraph (B).

SEC. 7113. SCHOOL AS LENDER MORATORIUM.

Section 435(d)(2) of the Higher Education Act of 1965 (20 U.S.C. 1085(d)(2)) is amended—

(1) in subparagraph (E), by striking ''and'' after the semicolon; and

(2) by inserting before the matter following subparagraph (F) (as amended by section 7390) the following:

''(G) shall have met the requirements of subparagraphs (A) through (F), and made loans under this part, on or before August 31, 2005;

''(H) shall hold each loan the eligible institution makes under this part to a student enrolled at the eligible institution until the student enters into a grace period described in section 427(a)(2)(B) or 428(b)(7);

''(I) shall use the proceeds from the sale of a loan made under this part, for need based grant aid programs, except that such proceeds—

''(i) shall not be used to provide a grant to a student for an academic year in an amount that is more than the student's cost of attendance for the academic year; and

''(ii) shall supplement and not supplant other Federal, State, and institutional grant aid; and

''(J) shall not be a foundation or alumni organization;''.

SEC. 7114. PERMANENT REDUCTION OF SPECIAL ALLOWANCE PAYMENTS FOR LOANS FROM THE PROCEEDS OF TAX EXEMPT ISSUES.

(a) TECHNICAL CLARIFICATION.—The matter preceding paragraph (1) of section 2 of the Taxpayer-Teacher Protection Act of 2004 (Public Law 108–409; 118 Stat. 2299) is amended by inserting ''of the Higher Education Act of 1965'' after ''Section 438(b)(2)(B)''. The amendment made by the preceding sentence shall be effective as if enacted on October 30, 2004.

(b) AMENDMENT.—Section 438(b)(2)(B) of the Higher Education Act of 1965 (20 U.S.C. 1087–1(b)(2)(B)) is amended—

(1) in clause (iv), by striking ''and before January 1, 2006,''; and

(2) in clause (v)(II)—

(A) in item (aa), by striking ''and before January 1, 2006,'';

(B) in item (bb), by striking ''and before January 1, 2006,''; and

(C) in item (cc), by striking ''and before January 1, 2006,''.

SEC. 7115. SPECIAL ALLOWANCES.

(a) ORIGINATION FEES.—Paragraph (2) of section 438(c) of the Higher Education Act of 1965 (20 U.S.C. 1087–1(c)) is amended—

(1) by striking the designation and heading of such paragraph and inserting the following:

''(2) AMOUNT OF ORIGINATION FEES.—

''(A) IN GENERAL.—''; and

(2) by adding at the end the following new subparagraph:

''(B) SUBSEQUENT REDUCTIONS.—Subparagraph (A) shall be applied to loans made under this part (other than loans made under sections 428C and 439(o)) by substituting '2.50 percent' for '3.0 percent' with respect to loans for which the first disbursement of principal is made on or after July 1, 2007.''.

(b) LOAN FEES FROM LENDERS.—

(1) AMENDMENT.—Paragraph (2) of section 438(d)(2) of the Higher Education Act of 1965 (20 U.S.C. 1087–1(d)) is amended to read as follows:

''(2) AMOUNT OF LOAN FEES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), with respect to any loan made under this part for which the first disbursement was made on or after October 1, 1993, the amount of the loan fee that shall be deducted under paragraph (1) shall be equal to 0.50 percent of the principal amount of the loan.

''(B) CONSOLIDATION LOANS.—With respect to any loan made under section 428C on or after April 1, 2006, the amount of the loan fee that shall be deducted under paragraph (1) shall be equal to 1.0 percent of the principal amount of the loan.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall apply with respect to any loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.) for which the first disbursement is made on or after April 1, 2006.

SEC. 7116. ORIGINATION FEE.

Section 455(c) of the Higher Education Act of 1965 (20 U.S.C. 1087e(c)) is amended—

(1) by striking ''shall'' and inserting ''is authorized to''; and

(2) by striking ''4.0 percent of the principal amount of loan'' and inserting ''not less than 1 percent and not more than 3 percent of the principal amount of the loan, except that the Secretary shall charge the borrower of a Federal Direct PLUS Loan an origination fee of 4.0 percent of the principal amount of the loan. Beginning on July 1, 2007, the preceding sentence shall be applied by substituting '2.5 percent' for '3 percent' ''.

SEC. 7117. INCOME CONTINGENT REPAYMENT FOR PUBLIC SECTOR EMPLOYEES.

Section 455(e) of the Higher Education Act of 1965 (20 U.S.C. 1087e(e)) is amended by adding at the end the following:

''(7) REPAYMENT PLAN FOR PUBLIC SECTOR EMPLOYEES.—

''(A) IN GENERAL.—The Secretary shall forgive the balance due on any loan made under this part or section 428C(b)(5) for a borrower—

''(i) who has made 120 payments on such loan pursuant to income contingent repayment; and

''(ii) who is employed, and was employed for the 10-year period in which the borrower made the 120 payments described in clause (i), in a public sector job.

''(B) PUBLIC SECTOR JOB.—In this paragraph, the term 'public sector job' means a full-time job in emergency management, government, public safety, law enforcement, public health, education (including early childhood education), or public interest legal services (including prosecution or public defense).

''(8) RETURN TO STANDARD REPAYMENT.—A borrower who is repaying a loan made under this part pursuant to income contingent repayment may choose, at any time, to terminate repayment pursuant to income contingent repayment and repay such loan under the standard repayment plan.''.

SEC. 7118. FAMILY CONTRIBUTION FOR DEPENDENT STUDENTS.

(a) AMENDMENTS.—Section 475 of the Higher Education Act of 1965 (20 U.S.C. 1087oo) is amended—

(1) in subsection (g)(2)(D), by striking ''$2,200'' and inserting ''$3,000''; and

(2) in subsection (h), by striking ''35'' and inserting ''20''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to determinations of need for periods of enrollment beginning on or after July 1, 2007.

SEC. 7119. FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITHOUT DEPENDENTS OTHER THAN A SPOUSE.

(a) AMENDMENTS.—Section 476 of the Higher Education Act of 1965 (20 U.S.C.1087pp) is amended—

(1) in subsection (b)(1)(A)(iv)—

(A) in subclause (I), by striking ''$5,000'' and inserting ''$6,050'';

(B) in subclause (II), by striking ''$5,000'' and inserting ''$6,050''; and

(C) in subclause (III), by striking ''$8,000'' and inserting ''$9,700''; and

(2) in subsection (c)(4), by striking ''35'' and inserting ''20''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to determinations of need for periods of enrollment beginning on or after July 1, 2007.

SEC. 7120. FAMILY CONTRIBUTION FOR INDEPENDENT STUDENTS WITH DEPENDENTS OTHER THAN A SPOUSE.

(a) AMENDMENT.—Section 477(c)(4) of the Higher Education Act of 1965 (20 U.S.C. 1087qq(c)(4)) is amended by striking ''12'' and inserting ''7''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply with respect to determinations of need for periods of enrollment beginning on or after July 1, 2007.

SEC. 7121. REGULATIONS; UPDATED TABLES.

Section 478(b) of the Higher Education Act of 1965 (20 U.S.C. 1087rr(b)) is amended—

(1) in paragraph (1), by adding at the end the following: ''For the 2007–2008 academic year, the Secretary shall revise the tables in accordance with this paragraph, except that the Secretary shall increase the amounts contained in the table in section 477(b)(4) by a percentage equal to the greater of the estimated percentage increase in the Consumer Price Index (as determined under the preceding sentence) or 5 percent.''; and

(2) in paragraph (2), by striking ''2000–2001'' and inserting ''2007–2008''.

SEC. 7122. SIMPLIFIED NEED TEST AND AUTOMATIC ZERO IMPROVEMENTS.

(a) AMENDMENTS.—Section 479 of the Higher Education Act of 1965 (20 U.S.C. 1087ss) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking clause (i) and inserting the following:

''(i) the student's parents—

''(I) file, or are eligible to file, a form described in paragraph (3);

''(II) certify that the parents are not required to file a Federal income tax return; or

''(III) received, or the student received, benefits at some time during the previous 12-month period under a means-tested Federal benefit program as defined under subsection (d); and''; and

(ii) in subparagraph (B), by striking clause (i) and inserting the following:

''(i) the student (and the student's spouse, if any)—

''(I) files, or is eligible to 1 file, a form described in paragraph (3);

''(II) certifies that the student (and the student's spouse, if any) is not required to file a Federal income tax return; or

''(III) received benefits at some time during the previous 12-month period under a

means-tested Federal benefit program as defined under subsection (d); and''; and

(B) in the matter preceding subparagraph (A) of paragraph (3), by striking ''A student or family files a form described in this subsection, or subsection (c), as the case maybe, if the student or family, respectively, files'' and inserting ''In the case of an independent student, the student, or in the case of a dependent student, the family, files a form described in this subsection, or subsection (c), as the case may be, if the student or family, as appropriate, files'';

(2) in subsection (c)—

(A) in paragraph (1)—

(i) by striking subparagraph (A) and inserting the following:

''(A) the student's parents—

''(i) file, or are eligible to file, a form described in subsection (b)(3);

''(ii) certify that the parents are not required to file a Federal income tax return; or

''(iii) received, or the student received, benefits at some time during the previous 12-month period under a means-tested Federal benefit program as defined under subsection (d); and''; and

(ii) by striking subparagraph (B) and inserting the following:

''(B) the sum of the adjusted gross income of the parents is less than or equal to $20,000; or''; and

(B) in paragraph (2)—

(i) by striking subparagraph (A) and inserting the following:

''(A) the student (and the student's spouse, if any)—

''(i) files, or is eligible to file, a form described in subsection (b)(3);

''(ii) certifies that the student (and the student's spouse, if any) is not required to file a Federal income tax return; or

''(iii) received benefits at some time during the previous 12-month period under a means-tested Federal benefit program as defined under subsection (d); and''; and

(ii) by striking subparagraph (B) and inserting the following:

''(B) the sum of the adjusted gross income of the student and spouse (if appropriate) is less than or equal to $20,000.''; and

(3) by adding at the end the following:

''(d) DEFINITIONS.—In this section:

''(1) MEANS-TESTED FEDERAL BENEFIT PROGRAM.—In this section, the term ''means-tested Federal benefit program'' means a mandatory spending program of the Federal Government, other than a program under this title, in which eligibility for the program's benefits, or the amount of such benefits, are determined on the basis of income or resources of the individual or family seeking the benefit, and may include such programs as—

''(A) the supplemental security income program under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

''(B) the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

''(C) the free and reduced price school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.);

''(D) the program of block grants for States for temporary assistance for needy families established under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

''(E) the special supplemental nutrition program for women, infants, and children established by section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786); and

''(F) other programs identified by the Secretary.''.

(b) EVALUATION OF SIMPLIFIED NEEDS TEST.—

(1) ELIGIBILITY GUIDELINES.—The Secretary of Education shall regularly evaluate the impact of the eligibility guidelines in subsections (b)(1)(A)(i), (b)(1)(B)(i), (c)(1)(A), and (c)(2)(A) of section 479 of the Higher Education Act of 1965 (20 U.S.C. 1087ss(b)(1)(A)(i), (b)(1)(B)(i), (c)(1)(A), and (c)(2)(A)).

(2) MEANS-TESTED FEDERAL BENEFIT PROGRAM.—For each 3-year period, the Secretary of Education shall evaluate the impact of including the receipt of benefits by a student or parent under a means-tested Federal benefit program (as defined in section 479(d) of the Higher Education Act of 1965 (20 U.S.C. 1087ss(d)) as a factor in determining eligibility under subsections (b) and (c) of section 479 of the Higher Education Act of 1965 (20 U.S.C. 1087ss(b) and (c)).

SEC. 7123. LOAN FORGIVENESS FOR TEACHERS.

Section 3(b)(3) of the Taxpayer-Teacher Protection Act of 2004 (20 U.S.C. 1078–10 note) is amended by striking '', and before October 1, 2005''.

SEC. 7124. EFFECTIVE DATE.

Except as otherwise provided in this chapter or the amendments made by this chapter, the amendments made by this chapter shall take effect on July 1, 2006.

CHAPTER 2—HURRICANE KATRINA HIGHER EDUCATION RECOVERY

SEC. 7151. SHORT TITLE.

This chapter may be cited as the ''Hurricane Katrina Higher Education Recovery Act''.

SEC. 7152. DEFINITIONS.

In this chapter:

(1) AFFECTED BORROWER.—The term ''affected borrower'' means an individual who—

(A) was in repayment, but not in deferment, on a loan made, insured, or guaranteed under part B, D, or E of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq., 1087a et seq., 1087aa et seq.) on August 22, 2005, or enters or entered repayment after August 22, 2005 and before June 30, 2006; and

(B)(i) lives or lived, as of August 22, 2005, in a county or parish of Alabama, Louisiana, or Mississippi—

(I) in which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170) as a result of Hurricane Katrina; and

(II) which the President has determined warrants individual assistance from the Federal Government; or

(ii) worked, as of August 22, 2005, in a county or parish described in clause (i).

(2) AFFECTED INSTITUTION.—

(A) IN GENERAL.—The term ''affected institution'' means an institution of higher education, as defined in section 101 or 102 of the Higher Education Act of 1965 (20 U.S.C. 1001, 1002), that—

(i) is located in an area in which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act due to the effects of Hurricane Katrina; and

(ii) is impacted by Hurricane Katrina.

(B) LENGTH OF TIME.—In determining eligibility for assistance under this chapter, the Secretary, using consistent, objective criteria, shall determine the time period for which an institution of higher education is an affected institution.

(C) SPECIAL RULE.—An organizational unit of an affected institution that is not impacted by Hurricane Katrina shall not be considered as part of such affected institution for purposes of receiving assistance under this chapter.

(3) AFFECTED STUDENT.—The term ''affected student'' means a student who was enrolled on August 29, 2005 in an affected institution.

(4) DISTANCE EDUCATION.—

(A) IN GENERAL.—The term ''distance education'' means a course or program that uses 1 or more of the technologies described in subparagraph (B) to—

(i) deliver instruction to students who are separated from the instructor; and

(ii) support regular and substantive interaction between the students and the instructor, either synchronously or asynchronously.

(B) INCLUSIONS.—For the purposes of subparagraph (A), the technologies used may include—

(i) the Internet;

(ii) one-way and two-way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communications devices;

(iii) audio conferencing; or

(iv) video cassette, DVDs, and CD–ROMs, provided that they are used in a course in conjunction with the technologies listed in clauses (i) through (iii).

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Education.

SEC. 7153. WAIVER AUTHORITY AND MODIFICATIONS TO CERTAIN PROVISIONS OF THE HIGHER EDUCATION ACT OF 1965.

(a) WAIVER OF INSTITUTIONAL REPAYMENT.—Notwithstanding any other provision of law, including requirements related to cash management, an affected institution shall not be required to return any funds received by the affected institution for, or on behalf of, its students under subparts 1 and 3 of part A and parts B, C, D, and E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070, 1070b et seq., 1071 et seq., 1087a et seq., 1087aa et seq., 42 U.S.C. 2751 et seq.) during the 2005–2006 academic year.

(b) WAIVER OF STUDENT RETURN OF ASSISTANCE.—Notwithstanding any other provision of law, an affected student who, as of the date of enactment of this Act, received assistance under subpart 1 or 3 of part A or parts B, C, D, or E of title IV of the Higher Education Act of 1965 for attendance at an affected institution of higher education during the 2005–2006 academic year, shall not be required to return such assistance.

(c) AFFECTED STUDENTS WHO DO NOT ENROLL IN ANOTHER INSTITUTION AND BORROWERS IN GRACE PERIODS OR DEFERMENT.—With respect to a loan made, insured, or guaranteed under part B, D, or E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq., 1087a et seq., 1087aa et seq.)—

(1) an affected student who does not enroll in another institution of higher education shall be retained in in-school status during the period beginning on August 22, 2005, and ending on June 30, 2006; and

(2) a borrower in a grace period or in deferment as of August 22, 2005 who satisfies the requirement described in clause (i) or clause (ii) of section 201(1)(B) shall be retained in such status, without documentation or action by the borrower, until June 30, 2006.

(d) DISCHARGE OR CANCELLATION OF LOANS.—The Secretary shall—

(1) discharge all loan amounts under parts B and D of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq., 1087a et seq.) disbursed to, or on behalf of, an affected student for attendance at an affected institution of higher education during the 2005–2006 academic year;

(2) reimburse lenders for the purpose of discharging any loan amounts disbursed to, or on behalf of, a student under part B of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq.), for attendance at an affected institution of higher education during the 2005–2006 academic year; and

(3) cancel any loan under part E of title IV of the Higher Education Act of 1965 (20 U.S.C.

1087aa et seq.) disbursed to a student for attendance at an affected institution of higher education during the 2005–2006 academic year.

(e) AGGREGATE AND ANNUAL LIMITS.—In the case of an affected student, any grant or loan assistance under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) that such student received, or was to have received, for a program of study at an affected institution of higher education during the 2005–2006 academic year shall not count against such student's annual or aggregate grant or loan limits for receipt of aid under such title.

(f) FORBEARANCE.—Notwithstanding the provisions of part B, D, or E of title IV of the Higher Education Act of 1965 (20 U.S.C. 1071 et seq., 1087a et seq., 1087aa et seq.), a lender, the Secretary, or an institution of higher education is authorized to provide not more than 1 year of forbearance to an affected borrower without documentation.

(g) PROFESSIONAL JUDGMENT.—A financial aid administrator shall be considered to be making an adjustment in accordance with section 479A(a) of the Higher Education Act of 1965 (20 U.S.C. 1087tt(a)) if the financial aid administrator makes the adjustment with respect to the calculation of the expected student or parent contribution (or both) for an affected student, or for a student or a parent who resides or resided on August 22, 2005, or was employed on August 22, 2005, in an area in which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act due to the effects of Hurricane Katrina. The financial aid administrator shall adequately document the need for the adjustment.

(h) MODIFICATION OF PART A OF TITLE II GRANTS AUTHORIZED.—The Secretary is authorized to approve modifications to the requirements for Teacher Quality Enhancement Grants for States and Partnerships under part A of title II of the Higher Education Act of 1965 (20 U.S.C. 1021 et seq.), at the request of the grantee—

(1) to assist States and local educational agencies to recruit and retain highly qualified teachers in a school district located in an area in which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act due to the effects of Hurricane Katrina; and

(2) to assist institutions of higher education, as defined in section 101 of such Act (20 U.S.C. 1001), located in such area to recruit and retain faculty necessary to prepare teachers and provide professional development.

(i) WAIVER AUTHORITY TO MODIFY AUTHORIZED USES OF TRIO, GEAR-UP, PART A OR B OF TITLE III, AND OTHER GRANTS.—The Secretary is authorized to modify the required and allowable uses of funds under chapters 1 and 2 of subpart 2 of part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070a et seq., 1070a–21 et seq.), under part A or B of title III (20 U.S.C. 1057 et seq., 1060 et seq.), and under any other competitive grant program, at the request of an affected institution or other grantee, with respect to affected institutions and other grantees located in an area in which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act due to the effects of Hurricane Katrina.

(j) AUTHORITY TO EXTEND OR WAIVE REPORTING REQUIREMENTS UNDER SECTION 131(a).—The Secretary is authorized to extend reporting deadlines or waive reporting requirements under section 131(a) of the Higher Education Act of 1965 (20 U.S.C. 1015(a)) for an affected institution.

(k) DISTANCE EDUCATION.—The Secretary may waive the restrictions of subparagraphs (A) and (B) of section 102(a)(3) of the Higher Education Act of 1965 (20 U.S.C. 1002(a)(3)(A) and (B)) with respect to an institution of higher education, other than a foreign institution, that offers education or training programs through distance education and is otherwise eligible to participate in programs authorized under title IV of such Act (20 U.S.C. 1070 et seq.), if such institution exceeds such restrictions described in such subparagraphs due to the enrollment of affected students.

SEC. 7154. GENERAL WAIVER AUTHORITY AND REQUIRED CONSULTATION.

(a) WAIVER AUTHORITY.—

(1) IN GENERAL.—Notwithstanding any other provision of law, the Secretary may waive or modify any statutory provision of the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) or any regulation implementing such Act as the Secretary determines necessary in connection with a major disaster that has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act due to the effects of Hurricane Katrina.

(2) ACTIONS AUTHORIZED.—In carrying out paragraph (1), the Secretary is authorized to waive or modify any provision described in paragraph (1) as the Secretary determines necessary to ensure that—

(A) administrative requirements placed on affected students, affected borrowers, institutions of higher education, lenders, guaranty agencies and grantees are minimized to the extent possible without impairing the integrity of the higher education programs under the Higher Education Act of 1965, to ease the burden on such participants; or

(B) institutions of higher education, lenders, guaranty agencies, and other entities participating in the student financial assistance programs under title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.), that serve an area in which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act due to the effects of Hurricane Katrina, may be granted temporary relief from requirements that are rendered infeasible or unreasonable due to the effects of Hurricane Katrina, including due diligence requirements and reporting deadlines.

(b) CONSTRUCTION.—Nothing in this section shall be construed to allow the Secretary to waive or modify any applicable statutory or regulatory requirements prohibiting discrimination in a program or activity, or in employment or contracting, under existing law (in existence on the date of the Secretary's action).

(c) CONSULTATION.—Prior to granting any waiver or modification under this section, the Secretary shall consult with the Committee on Health, Education, Labor, and Pensions and the Committee on Appropriations of the Senate and the Committee on Education and the Workforce and the Committee on Appropriations of the House of Representatives with respect to waivers or modifications under this section.

SEC. 7155. NOTICE OF WAIVERS, MODIFICATIONS, OR EXTENSIONS.

Notwithstanding section 437 of the General Education Provisions Act (20 U.S.C. 1232) and section 553 of title 5, United States Code, the Secretary shall make publicly available the waivers, modifications, or extensions granted under section 7153 or 7154.

SEC. 7156. REGULATORY REQUIREMENTS INAPPLICABLE.

Sections 482(c) and 492 of the Higher Education Act of 1965 (20 U.S.C. 1089(c), 1098a), section 437 of the General Education Provisions Act (20 U.S.C. 1232), and section 553 of title 5, United States Code, shall not apply to this chapter.

SEC. 7157. DEPARTMENT OF EDUCATION INSPECTOR GENERAL AUDIT AND REPORT.

(a) IN GENERAL.—The Inspector General of the Department of Education (referred to in this section as the ''Inspector General'') shall conduct an audit and investigation of each program carried out by the Department of Education that includes response and recovery activities related to Hurricane Katrina.

(b) WEEKLY REPORT.—Not less frequently than once a week, the Inspector General shall provide a report to the Committee on Health, Education, Labor, and Pensions and the Committee on Appropriations of the Senate and the Committee on Education and the Workforce and the Committee on Appropriations of the House of Representatives listing the audits and investigations initiated pursuant to subsection (a).

(c) STATUS REPORT.—Not later than 6 months after the date of enactment of this Act, and biannually thereafter until the audits and investigations described in subsection (a) are complete, the Inspector General shall report to the Committee on Health, Education, Labor, and Pensions and the Committee on Appropriations of the Senate and the Committee on Education and the Workforce and the Committee on Appropriations of the House of Representatives on the full status of the activities of the Inspector General under this section.

(d) COOPERATIVE VENTURES.—In carrying out this section, the Inspector General is encouraged to enter into cooperative ventures with Inspectors General of other Federal agencies.

SEC. 7158. SUNSET PROVISION.

Except as otherwise provided in this chapter, the provisions of this chapter shall be effective for the period beginning on the date of enactment of this Act and ending on September 30, 2006.

Subtitle B—Pension Benefit Guaranty Corporation Premiums

SEC. 7201. AMENDMENTS TO THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974.

(a) FLAT-RATE PREMIUMS.—

(1) SINGLE-EMPLOYER PLANS.—Section 4006(a)(3)(A)(i) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1306(a)(3)(A)(i)) is amended to read as follows:

''(i) in the case of a single-employer plan, an amount equal to—

''(I) for plan years beginning after December 31, 1990, and before January 1, 2006, $19, or

''(II) except as provided in subparagraph (F), for plan years beginning after December 31, 2005, $46.75,

plus the additional premium (if any) determined under subparagraph (E) for each individual who is a participant in such plan during the plan year;''.

(2) MULTIEMPLOYER PLANS.—Section 4006(a)(3)(A) of such Act (29 U.S.C. 1306(a)(3)(A)) is amended—

(A) in clause (iii), by—

(i) inserting ''and before January 1, 2006,'' after ''Act of 1980,''; and

(ii) striking the period at the end and inserting '', or''; and

(B) by adding at the end the following:

''(iv) in the case of a multiemployer plan an amount equal to the following for each individual who is a participant in such plan during the applicable plan year:

''(I) $8.00 for plan years beginning in 2006.

''(II) For plan years after December 31, 2006, the amount determined under subparagraph (G).

(3) INDEXING OF FLAT-RATE PREMIUMS.—

(A) SINGLE-EMPLOYER PREMIUMS.—Section 4006(a)(3) of such Act (29 U.S.C. 1306(a)(3)), as amended by this Act, is amended by adding at the end the following:

''(F) INDEXING OF SINGLE-EMPLOYER FLAT-RATE PREMIUMS.—

''(i) IN GENERAL.—In the case of any plan year beginning after 2006, the adjusted amount under clause (ii) shall be substituted for the dollar amount under clause (i)(II) of subparagraph (A), if such adjusted amount is greater than such dollar amount.

''(ii) ADJUSTED AMOUNT.—The adjusted amount for the dollar amount in clause (i)(II) of subparagraph (A) for any plan year is the product derived by multiplying such dollar amount by the ratio of—

''(I) the national average wage index (as defined in section 209(k)(1) of the Social Security Act) for the first of the 2 calendar years preceding the calendar year in which the plan year begins, to

''(II) the national average wage index (as so defined) for 2004.

If the amount determined under this clause is not a multiple of $1, such product shall be rounded to the nearest multiple of $1.''.

(B) MULTIEMPLOYER PREMIUMS—Section 4006(a)(3) of such Act (29 U.S.C. 1306(a)(3)), as amended by this Act, is amended by adding at the end the following:

''(G) INDEXING OF MULTIEMPLOYER FLAT-RATE PREMIUMS.—The amount determined under this subparagraph is the product derived by multiplying $8.00 by the ratio of—

''(i) the national average wage index (as defined in section 209(k)(1) of the Social Security Act) for the first of the 2 calendar years preceding the calendar year in which the plan year begins, to

''(ii) the national average wage index (as defined in subparagraph (F)) for 2004.

If the amount determined under this clause is not a multiple of $1, such product shall be rounded to the nearest multiple of $1.''.

(b) PREMIUM RATE FOR CERTAIN TERMINATED SINGLE-EMPLOYER PLANS.—Section 4006(a) of such Act (29 U.S.C. 1306(a)) is amended by adding at the end the following:

''(7) PREMIUM RATE FOR CERTAIN TERMINATED SINGLE-EMPLOYER PLANS.—

''(A) IN GENERAL.—If there is a termination of a single-employer plan under clause (ii) or (iii) of section 4041(c)(2)(B) or section 4042, there shall be payable to the corporation, with respect to each applicable 12-month period, a premium at a rate equal to $1,250 multiplied by the number of individuals who were participants in the plan immediately before the termination date. Such premium shall be in addition to any other premium under this section.

''(B) SPECIAL RULE FOR PLANS TERMINATED IN BANKRUPTCY REORGANIZATION.—Subparagraph (A) shall not apply to a single-employer plan terminated under section 4041(c)(2)(B)(ii) or under section 4042 during pendency of any bankruptcy reorganization proceeding under chapter 11 of title 11, United States Code, (or under any similar law of a State or political subdivision of a State) until the plan sponsor emerges from bankruptcy.

''(C) APPLICABLE 12-MONTH PERIOD.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—The term 'applicable 12-month period' means—

''(I) the 12-month period beginning with the first month following the month in which the termination date occurs, and

''(II) each of the first two 12-month periods immediately following the period described in subclause (I).

''(ii) PLANS TERMINATED IN BANKRUPTCY REORGANIZATION.—In the case of a plan described under subparagraph (B), the 12-month period described in clause (i)(I) shall be the 12-month period beginning with the first month following the month which includes the date the plan sponsor emerges from bankruptcy.

''(D) COORDINATION WITH SECTION 4007.—For purposes of section 4007—

''(i) premiums under this paragraph shall be due within 30 days after the beginning of any applicable 12-month period,

''(ii) the fifth sentence of section 4007(a) shall not apply, and

''(iii) the designated payor under section 4007(e)(1)(A) shall be the contributing sponsor immediately before the termination date.''.

(c) CONFORMING AMENDMENT.—Section 4006(a)(3)(B) of such Act (29 U.S.C. 1306(a)(3)(B)) is amended by striking ''subparagraph (A)(iii)'' and inserting ''clause (iii) or (iv) of subparagraph (A)''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to plan years beginning after December 31, 2005.

(2) SPECIAL RULE FOR PLANS TERMINATED IN BANKRUPTCY.—The amendment made by subsection (b) shall not apply to a termination of a single-employer plan that is terminated during the pendency of any bankruptcy reorganization proceeding under chapter 11 of title 11, United States Code (or under any similar law of a State or political subdivision of a State), if the proceeding is pursuant to a bankruptcy filing occurring before October 18, 2005.

(3) SPECIAL RULE IF SUBSEQUENT SAVINGS ENACTED.—The amendments made by this section shall not take effect if, after the date of enactment of this Act and before January 1, 2006, a Federal law is enacted which—

(A) provides for decreases in Federal outlays which in the aggregate are not less than the decreases in Federal outlays by reason of the amendments made by this section; and

(B) specifically provides that such decreases are to be in lieu of the decreases in Federal outlays by reason of the amendments made by this section.

Subtitle C—Higher Education Reauthorization

CHAPTER 1—SHORT TITLE; REFERENCES; GENERAL EFFECTIVE DATE

SEC. 7301. SHORT TITLE.

(a) SHORT TITLE.—This subtitle may be cited as the ''Higher Education Amendments of 2005''.

SEC. 7302. 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 Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

SEC. 7303. GENERAL EFFECTIVE DATE.

Except as otherwise provided in this subtitle or the amendments made by this subtitle, the amendments made by this subtitle shall take effect on July 1, 2006.

CHAPTER 2—GENERAL PROVISIONS

SEC. 7311. ADDITIONAL DEFINITIONS.

(a) AMENDMENT.—Section 103 (20 U.S.C. 1003) is amended—

(1) by redesignating paragraphs (1) through (16) as paragraphs (2) through (17), respectively; and

(2) by inserting before paragraph (2) (as redesignated by paragraph (1)) the following:

''(1) AUTHORIZING COMMITTEES.—The term 'authorizing committees' means the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Education and the Workforce of the House of Representatives.''.

(b) CONFORMING AMENDMENTS.—The Act (20 U.S.C. 1001 et seq.) is amended—

(1) in section 131(a)(3)(B) (20 U.S.C. 1015(a)(3)(B)), by striking ''Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives'' and inserting ''authorizing committees'';

(2) in section 141(d)(4)(B) (20 U.S.C. 1018(d)(4)(B)), by striking ''Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate'' and inserting ''authorizing committees'';

(3) in section 207(c)(1) (20 U.S.C. 1027(c)(1)), by striking ''Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives'' and inserting ''authorizing committees'';

(4) in section 401(f)(3) (20 U.S.C. 1070a(f)(3)), by striking ''to the Committee on Appropriations'' and all that follows through ''House of Representatives'' and inserting ''to the Committee on Appropriations of the Senate, the Committee on Appropriations of the House of Representatives, and the authorizing committees'';

(5) in section 428 (20 U.S.C. 1078)—

(A) in subsection (c)(9)(K), by striking ''House Committee on Education and the Workforce and the Senate Committee on Labor and Human Resources'' and inserting ''authorizing committees'';

(B) in the matter following paragraph (2) of subsection (g), by striking ''Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives'' and inserting ''authorizing committees''; and

(C) in subsection (n)(4), ''Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate'' and inserting ''authorizing committees'';

(6) in section 428A (20 U.S.C. 1078–1)—

(A) in the matter preceding subparagraph (A) of subsection (a)(4), by striking ''Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives'' and inserting ''authorizing committees''; and

(B) in subsection (c)—

(i) in the matter preceding subparagraph (A) of paragraph (2), by striking ''Chairperson'' and all that follows through ''House of Representatives'' and inserting ''Chairpersons and Ranking Members of the authorizing committees'';

(ii) in paragraph (3), by striking ''Chairperson'' and all that follows through ''House of Representatives'' and inserting ''Chairpersons and Ranking Members of the authorizing committees''; and

(iii) in paragraph (5), by striking ''Chairperson'' and all that follows through ''House of Representatives'' and inserting ''Chairpersons and Ranking Members of the authorizing committees'';

(7) in section 432 (20 U.S.C. 1082)—

(A) in subsection (f)(1)(C), by striking ''the Committee on Education and the Workforce of the House of Representatives or the Committee on Labor and Human Resources of the Senate'' and inserting ''either of the authorizing committees''; and

(B) in the matter following subparagraph (D) of subsection (n)(3), by striking ''Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate'' and inserting ''authorizing committees'';

(8) in section 437(c)(1) (20 U.S.C. 1087(c)(1)), by striking ''Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate'' and inserting ''authorizing committees'';

(9) in section 439 (20 U.S.C. 1087–2)—

(A) in subsection (d)(1)(E)(iii), by striking ''advise the Chairman'' and all that follows through ''House of Representatives'' and inserting ''advise the Chairpersons and Ranking Members of the authorizing committees'';

(B) in subsection (r)—

(i) in paragraph (3), by striking ''inform the Chairman'' and all that follows through ''House of Representatives,'' and inserting ''inform the Chairpersons and Ranking Members of the authorizing committees'';

(ii) in paragraph (5)(B), by striking ''plan, to the Chairman'' and all that follows through ''Education and Labor'' and inserting ''plan, to the Chairpersons and Ranking Members of the authorizing committees'';

(iii) in paragraph (6)(B)—

(I) by striking ''plan, to the Chairman'' and all that follows through ''House of Representatives'' and inserting ''plan, to the Chairpersons and Ranking Members of the authorizing committees''; and

(II) by striking ''Chairmen and ranking minority members of such Committees'' and inserting ''Chairpersons and Ranking Members of the authorizing committees'';

(iv) in paragraph (8)(C), by striking ''implemented to the Chairman'' and all that follows through ''House of Representatives, and'' and inserting ''implemented to the Chairpersons and Ranking Members of the authorizing committees, and to''; and

(v) in the matter preceding subparagraph (A) of paragraph (10), by striking ''days to the Chairman'' and all that follows through ''Education and Labor'' and inserting ''days to the Chairpersons and Ranking Members of the authorizing committees''; and

(C) in subsection (s)(2)—

(i) in the matter preceding clause (i) of subparagraph (A), by striking ''Treasury and to the Chairman'' and all that follows through ''House of Representatives'' and inserting ''Treasury and to the Chairpersons and Ranking Members of the authorizing committees''; and

(ii) in subparagraph (B), by striking ''Treasury and to the Chairman'' and all that follows through ''House of Representatives'' and inserting ''Treasury and to the Chairpersons and Ranking Members of the authorizing committees'';

(10) in section 455(b)(8)(B) (20 U.S.C. 1087e(b)(8)(B)), by striking ''Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives'' and inserting ''authorizing committees'';

(11) in section 482(d) (20 U.S.C. 1089(d)), by striking ''Committee on Labor and Human Resources of the Senate and the Committee on Education and Labor of the House of Representatives'' and inserting ''authorizing committees'';

(12) in section 483(c) (20 U.S.C. 1090(c)), by striking ''Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives'' and inserting ''authorizing committees'';

(13) in section 485 (20 U.S.C. 1092)—

(A) in subsection (f)(5)(A), by striking ''Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate'' and inserting ''authorizing committees''; and

(B) in subsection (g)(4)(B), by striking ''Committee on Education and the Workforce of the House of Representatives and the Committee on Labor and Human Resources of the Senate'' and inserting ''authorizing committees'';

(14) in section 486 (20 U.S.C. 1093)—

(A) in subsection (e), by striking ''Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives'' and inserting ''authorizing committees''; and

(B) in subsection (f)(3)—

(i) in the matter preceding clause (i) of subparagraph (A), by striking ''Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives'' and inserting ''authorizing committees''; and

(ii) in the matter preceding clause (i) of subparagraph (B), by striking ''Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives'' and inserting ''authorizing committees'';

(15) in section 487A(a)(5) (20 U.S.C. 1094a(a)(5)), by striking ''Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives'' and inserting ''authorizing committees''; and

(16) in section 498B(d) (20 U.S.C. 1099c–2(d))—

(A) in paragraph (1), by striking ''Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives'' and inserting ''authorizing committees''; and

(B) in paragraph (2), by striking ''Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives'' and inserting ''authorizing committees''.

SEC. 7312. GENERAL DEFINITION OF INSTITUTION OF HIGHER EDUCATION.

Section 101 (20 U.S.C. 1001) is amended—

(1) in subsection (a)(3), by inserting '', or awards a degree that is acceptable for admission to a graduate or professional degree program, subject to the review and approval by the Secretary'' after ''such a degree''; and

(2) by striking subsection (b)(2) and inserting the following:

''(2) a public or nonprofit private educational institution in any State that, in lieu of the requirement in subsection (a)(1), admits as regular students persons—

''(A) who meet the requirements of section 484(d)(3);

''(B) who are beyond the age of compulsory school attendance in the State in which the institution is located; or

''(C) who are dually or concurrently enrolled in such institution and a secondary school.''.

SEC. 7313. DEFINITION OF INSTITUTION OF HIGHER EDUCATION FOR PURPOSES OF TITLE IV PROGRAMS.

Section 102 (20 U.S.C. 1002) is amended—

(1) in subsection (a)—

(A) by striking paragraph (2)(A)(i) and inserting the following:

''(i) in the case of a graduate medical school located outside the United States—

''(I) at least 60 percent of those enrolled in, and at least 60 percent of the graduates of, the graduate medical school outside the United States were not persons described in section 484(a)(5) in the year preceding the year for which a student is seeking a loan under part B of title IV; and

''(II) at least 60 percent of the individuals who were students or graduates of the graduate medical school outside the United States or Canada (both nationals of the United States and others) taking the examinations administered by the Educational Commission for Foreign Medical Graduates received a passing score in the year preceding the year for which a student is seeking a loan under part B of title IV; or'';

(B) by striking paragraph (3) and inserting the following:

''(3) LIMITATIONS BASED ON ENROLLMENT.—An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—

''(A) has a student enrollment in which more than 25 percent of the students are incarcerated, except that the Secretary may waive the limitation contained in this subparagraph for a nonprofit institution that provides a 2- or 4-year program of instruction (or both) for which the institution awards a bachelor's degree, or an associate's degree or a postsecondary diploma, respectively; or

''(B) has a student enrollment in which more than 50 percent of the students do not have a secondary school diploma or its recognized equivalent, and does not provide a 2- or 4-year program of instruction (or both) for which the institution awards a bachelor's degree or an associate's degree, respectively, except that the Secretary may waive the limitation contained in this subparagraph if a nonprofit institution demonstrates to the satisfaction of the Secretary that the institution exceeds such limitation because the institution serves, through contracts with Federal, State, or local government agencies, significant numbers of students who do not have a secondary school diploma or its recognized equivalent.'';

(C) by redesignating paragraphs (4), (5), and (6), as paragraphs (5), (6), and (7), respectively; and

(D) by inserting after paragraph (3) the following:

''(4) LIMITATIONS BASED ON MODE OF DELIVERY.—

''(A) IN GENERAL.—An institution shall not be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—

''(i) offers more than 50 percent of such institution's courses by correspondence, unless the institution is an institution that meets the definition in section 3(3)(C) of the Carl D. Perkins Vocational and Technical Education Act of 1998; or

''(ii) enrolls 50 percent or more of the institution's students in correspondence courses, unless the institution is an institution that meets the definition in such section 3(3)(C), except that the Secretary, at the request of such institution, may waive the applicability of this subparagraph to such institution for good cause, as determined by the Secretary in the case of an institution of higher education that provides a 2- or 4-year program of instruction (or both) for which the institution awards an associate or baccalaureate degree, respectively.

''(B) DISTANCE EDUCATION PROGRAM ELIGIBILITY.—Notwithstanding subparagraph (A), an institution of higher education, other than a foreign institution, that offers education or training programs principally through distance education shall be considered to meet the definition of an institution of higher education in paragraph (1) if such institution—

''(i) has been evaluated and determined (before or after the date of enactment of the Higher Education Amendments of 2005) to have the capability to effectively deliver distance education programs by an accrediting agency or association that—

''(I) is recognized by the Secretary under title IV; and

''(II) has evaluation of distance education programs within the scope of its recognition, as described in section 496(n)(3);

''(ii) is otherwise eligible to participate in programs authorized under title IV;

''(iii) has not had its participation in programs under title IV suspended or terminated within the previous 5 years;

''(iv) has not had, or failed to resolve, an audit finding or program review finding under this Act during the 2 years preceding the year for which the determination is made that, following any appeal to the Secretary, resulted in the institution being required to repay an amount that is equal to or greater than 25 percent of the total funds the institution received under the programs authorized under title IV for the most recent award year; and

''(v) has met the requirements of section 487(d), if applicable.

''(C) DEFINITION.—

''(i) IN GENERAL.—In this Act, except as otherwise provided, the term 'distance education' means a course or program that uses 1 or more of the technologies described in clause (ii) to—

''(I) deliver instruction to students who are separated from the instructor; and

''(II) support regular and substantive interaction between the students and the instructor, either synchronously or asynchronously.

''(ii) INCLUSIONS.—For the purposes of clause (i), the technologies used may include—

''(I) the Internet;

''(II) one-way and two-way transmissions through open broadcast, closed circuit, cable, microwave, broadband lines, fiber optics, satellite, or wireless communications devices;

''(III) audio conferencing; or

''(IV) video cassette, DVDs, and CD–ROMs, provided that they are used in a course in conjunction with the technologies listed in subclauses (I) through (III).''; and

(2) in subsection (b)(1)—

(A) in subparagraph (D), by inserting ''and'' after the semicolon;

(B) in subparagraph (E), by striking ''; and'' and inserting a period; and

(C) by striking subparagraph (F).

SEC. 7314. PROTECTION OF STUDENT SPEECH AND ASSOCIATION RIGHTS.

Section 112 (20 U.S.C. 1011a) is amended—

(1) in subsection (a)—

(A) by inserting ''(1)'' before ''It is the sense''; and

(B) by adding at the end the following:

''(2) It is the sense of Congress that—

''(A) the diversity of institutions and educational missions is one of the key strengths of American higher education;

''(B) individual colleges and universities have different missions and each institution should design its academic program in accordance with its educational goals;

''(C) within the context of institutional mission, a college should facilitate the free and open exchange of ideas;

''(D) students should not be intimated, harassed, discouraged from speaking out, or discriminated against;

''(E) students should be treated equally and fairly; and

''(F) nothing in this paragraph shall be construed to modify, change, or infringe upon any constitutionally protected religious liberty, freedom, expression, or association.''; and

(2) in subsection (b)(1), by inserting '', provided that the imposition of such sanction is done objectively and fairly'' after ''higher education''.

SEC. 7315. NATIONAL ADVISORY COMMITTEE ON INSTITUTIONAL QUALITY AND INTEGRITY.

Section 114(g) (20 U.S.C. 1011c(g)) is amended by striking ''September 30, 2004'' and inserting ''September 30, 2011''.

SEC. 7316. DRUG AND ALCOHOL ABUSE PREVENTION.

Section 120 (20 U.S.C. 1011i) is amended by striking subsections (e) and (f) and inserting the following:

''(e) GRANTS DIRECTED AT REDUCING HIGHER EDUCATION DRUG AND ALCOHOL ABUSE.—

''(1) AUTHORIZATION OF PROGRAM.—The Secretary may award grants to eligible entities to enable the entities to reduce the rate of drug use, underage alcohol use, and binge drinking among students at institutions of higher education.

''(2) APPLICATIONS.—An eligible entity that desires to receive a grant under this subsection shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each application shall include—

''(A) a description of how the eligible entity will work to enhance an existing, or where none exists to build a, statewide coalition;

''(B) a description of how the eligible entity will target underage students in the State;

''(C) a description of how the eligible entity intends to ensure that the statewide coalition is actually implementing the purpose described in paragraph (1) and moving toward the achievement indicators described in paragraph (4);

''(D) a list of the members of the statewide coalition or interested parties involved in the work of the eligible entity;

''(E) a description of how the eligible entity intends to work with State agencies on substance abuse prevention and education;

''(F) the anticipated impact of funds provided under this subsection in reducing the rates of drug abuse and underage alcohol use;

''(G) outreach strategies, including ways in which the eligible entity proposes to—

''(i) reach out to students;

''(ii) promote the purpose described in paragraph (1);

''(iii) address the range of needs of the students and the surrounding communities; and

''(iv) address community norms for underage students regarding drug and alcohol use; and

''(H) such additional information as required by the Secretary.

''(3) USES OF FUNDS.—Each eligible entity that receives a grant under this subsection shall use the grant funds to carry out the activities described in such entity's application submitted pursuant to paragraph (2).

''(4) ACCOUNTABILITY.—On the date on which the Secretary first publishes a notice in the Federal Register soliciting applications for grants under this subsection, the Secretary shall include in the notice achievement indicators for the program authorized under this subsection. The achievement indicators shall be designed—

''(A) to measure the impact that the statewide coalitions assisted under this subsection are having on the institutions of higher education and the surrounding communities, including changes in the number of alcohol and drug-related abuse incidents of any kind (including violations, physical assaults, sexual assaults, reports of intimidation, disruptions of school functions, disruptions of student studies, mental health referrals, illnesses, or deaths);

''(B) to measure the quality and accessibility of the programs or information offered by the statewide coalitions; and

''(C) to provide such other measures of program impact as the Secretary determines appropriate.

''(5) SUPPLEMENT NOT SUPPLANT.—Grant funds provided under this subsection shall be used to supplement, and not supplant, Federal and non-Federal funds available for carrying out the activities described in this subsection.

''(6) DEFINITIONS.—In this subsection:

''(A) ELIGIBLE ENTITY.—The term 'eligible entity' means a State, an institution of higher education as defined in section 102, or a nonprofit entity.

''(B) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' has the meaning given the term in section 101(a).

''(C) STATE.—The term 'State' means each of the 50 States, the District of Columbia, and the Commonwealth of Puerto Rico.

''(D) STATEWIDE COALITION.—The term 'statewide coalition' means a coalition that—

''(i) includes—

''(I) institutions of higher education within a State; and

''(II) a nonprofit group, a community anti-drug or underage drinking prevention coalition, or another substance abuse prevention group within a State; and

''(ii) works toward lowering alcohol abuse rates by targeting underage students at institutions of higher education throughout the State and in the surrounding communities.

''(E) SURROUNDING COMMUNITY.—The term 'surrounding community' means the community—

''(i) that surrounds an institution of higher education participating in a statewide coalition;

''(ii) where the students from the institution of higher education take part in the community; and

''(iii) where students from the institution of higher education live in off-campus housing.

''(7) ADMINISTRATIVE EXPENSES.—Not more than 5 percent of a grant awarded under this subsection may be expended for administrative expenses.

''(8) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''.

SEC. 7317. PRIOR RIGHTS AND OBLIGATIONS.

Section 121(a) (20 U.S.C. 1011j(a)) is amended—

(1) in paragraph (1), by striking ''1999'' and inserting ''2006''; and

(2) in paragraph (2), by striking ''1999'' and inserting ''2006''.

SEC. 7318. COST OF HIGHER EDUCATION.

Section 131 (20 U.S.C. 1015) is amended—

(1) by striking subsection (b) and inserting the following:

''(b) COLLEGE CONSUMER INFORMATION.—

''(1) IN GENERAL.—The Secretary shall make available to the public the information described in paragraph (2), in a form that enables the public to compare the information among institutions of higher education. Such information shall be made available for each of the categories described in paragraph (3) and updated annually.

''(2) INFORMATION.—The information described in this paragraph is the following:

''(A) Tuition and fees for a first-time, full-time undergraduate student.

''(B) Cost of attendance for a first-time, full-time undergraduate student.

''(C) The average annual cost of attendance for a first-time, full-time undergraduate student for the preceding periods of 5 and 10 academic years preceding the year for which the information is made available under this subsection, or if data are not available for such academic years, data for as many of such academic years as are available.

''(D) The percentage of full-time undergraduate students receiving financial assistance, including—

''(i) Federal grants;

''(ii) State and local grants;

''(iii) institutional grants; and

''(iv) loans to students.

''(E) The average amount of financial aid received by students from sources described

in clauses (i) through (iv) of subparagraph (D).

''(F) Graduation rates, as described in section 485(a)(1)(L).

''(G) A ranking of the dollar and percentage increases in tuition and fees for all institutions of higher education for which data are available in each of the categories described in paragraph (3).

''(3) CATEGORIES.—The categories described in this paragraph are as follows:

''(A) All institutions of higher education.

''(B) 4-year public, degree-granting, institutions of higher education.

''(C) 2-year public, degree-granting, institutions of higher education.

''(D) 4-year, nonprofit, private, degree-granting institutions of higher education.

''(E) 2-year, nonprofit, private, degree-granting institutions of higher education.

''(F) 4-year, for-profit, private, degree-granting institutions of higher education.

''(G) 2-year, for-profit, private, degree-granting institutions of higher education.

''(H) Less than 2-year, for-profit, private institutions of higher education.

''(4) STANDARD DEFINITIONS.—In carrying out this section, the Secretary shall use the standard definitions developed under subsection (a)(3).''; and

(2) in subsection (c)—

(A) in paragraph (1), by inserting ''be conducted on an annual basis and'' after ''Such study shall'';

(B) in paragraph (2)—

(i) in subparagraph (B), by striking ''and'' after the semicolon;

(ii) in subparagraph (C), by striking the period and inserting a semicolon; and

(iii) by adding at the end the following:

''(D) the average cost of attending an institution of higher education, disaggregated by category, as described in subsection (b)(3);

''(E) the average annual cost of attending an institution of higher education for the periods of 5 and 10 academic years preceding the year for which the study is conducted (or if data are not available for such academic years, data for as many of such academic years as are available), disaggregated by category, as described in subsection (b)(3); and

''(F) the assistance provided to institutions of higher education by each State.'';

(C) in paragraph (3)—

(i) in the paragraph heading, by striking ''FINAL'' and inserting ''ANNUAL'';

(ii) by striking ''a report'' and inserting ''an annual report''; and

(iii) by striking ''not later than September 30, 2002'' and inserting ''and the public''; and

(D) by striking paragraph (4) and inserting the following:

''(4) HIGHER EDUCATION COST INDEX.—The Bureau of Labor Statistics, in consultation with the Commissioner of Education Statistics, shall develop a higher education cost index that tracks inflation changes in the relevant costs associated with higher education.''.

SEC. 7319. PERFORMANCE-BASED ORGANIZATION FOR THE DELIVERY OF FEDERAL STUDENT FINANCIAL ASSISTANCE.

Section 141 (20 U.S.C. 1018) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''operational'' and inserting ''administrative and oversight''; and

(B) in paragraph (2)(D), by striking ''of the operational functions'' and inserting ''and administration'';

(2) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking ''the information systems administered by the PBO, and other functions performed by the PBO'' and inserting ''the Federal student financial assistance programs authorized under title IV''; and

(ii) by striking subparagraph (C) and inserting the following:

''(C) assist the Chief Operating Officer in identifying goals for—

''(i) the administration of the systems used to administer the Federal student financial assistance programs authorized under title IV; and

''(ii) the updating of such systems to current technology.''; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking ''administration of the information and financial systems that support'' and inserting ''the administration of Federal'';

(ii) in subparagraph (A)—

(I) in the matter preceding clause (i), by striking ''of the delivery system for Federal student assistance'' and inserting ''for the Federal student assistance programs authorized under title IV'';

(II) by striking clauses (i) and (ii) and inserting the following:

''(i) the collection, processing, and transmission of data to students, institutions, lenders, State agencies, and other authorized parties;

''(ii) the design and technical specifications for software development and procurement for systems supporting the student financial assistance programs authorized under title IV;'';

(III) in clause (iii), by striking ''delivery'' and inserting ''administration'';

(IV) in clause (iv)—

(aa) by inserting ''the'' after ''supporting''; and

(bb) by striking ''and'' after the semicolon;

(V) in clause (v), by striking ''systems that support those programs.'' and inserting ''the administration of the Federal student assistance programs authorized under title IV; and''; and

(VI) by adding at the end the following:

''(vi) ensuring the integrity of the student assistance programs authorized under title IV.''; and

(iii) in subparagraph (B), by striking ''operations and services'' and inserting ''activities and functions''; and

(3) in subsection (c)—

(A) in paragraph (1)(C)—

(i) in clause (iii), by striking ''information and delivery''; and

(ii) in clause (iv)—

(I) by striking ''Developing an'' and inserting ''Developing''; and

(II) by striking ''delivery and information system'' and inserting ''systems'';

(B) in paragraph (2)—

(i) in subparagraph (A), by inserting ''the'' after ''PBO and''; and

(ii) in subparagraph (B), by striking ''Officer'' and inserting ''Officers''; and

(C) in paragraph (3), by inserting ''students,'' after ''consult with'';

(4) in subsection (d)—

(A) in paragraph (1), by striking the second sentence; and

(B) in paragraph (5)—

(i) in subparagraph (B), by striking ''paragraph (2)'' and inserting ''paragraph (4)''; and

(ii) in subparagraph (C), by striking ''this'';

(5) in subsection (f)—

(A) in paragraph (2), by striking ''to borrowers'' and inserting ''to students, borrowers,''; and

(B) in paragraph (3)(A), by striking ''(1)(A)'' and inserting ''(1)'';

(6) in subsection (g)(3), by striking ''not more than 25'';

(7) in subsection (h), by striking ''organizational effectiveness'' and inserting ''effectiveness'';

(8) by striking subsection (i);

(9) by redesignating subsection (j) as subsection (i); and

(10) in subsection (i) (as redesignated by paragraph (9)), by striking '', including transition costs''.

SEC. 7320. PROCUREMENT FLEXIBILITY.

Section 142 (20 U.S.C. 1018a) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) by striking ''for information systems supporting the programs authorized under title IV''; and

(ii) by striking ''and'' after the semicolon;

(B) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(3) through the Chief Operating Officer—

''(A) to the maximum extent practicable, utilize procurement systems that streamline operations, improve internal controls, and enhance management; and

''(B) assess the efficiency of such systems and assess such systems' ability to meet PBO requirements.'';

(2) by striking subsection (c)(2) and inserting the following:

''(2) FEE FOR SERVICE ARRANGEMENTS.—The Chief Operating Officer shall, when appropriate and consistent with the purposes of the PBO, acquire services related to the functions set forth in section 141(b)(2) from any entity that has the capability and capacity to meet the requirements set by the PBO. The Chief Operating Officer is authorized to pay fees that are equivalent to those paid by other entities to an organization that provides services that meet the requirements of the PBO, as determined by the Chief Operating Officer.'';

(3) in subsection (d)(2)(B), by striking ''on Federal Government contracts'';

(4) in subsection (g)—

(A) in paragraph (4)(A)—

(i) in the subparagraph heading, by striking ''SOLE SOURCE.—'' and inserting ''SINGLE-SOURCE BASIS.—''; and

(ii) by striking ''sole-source'' and inserting ''single-source''; and

(B) in paragraph (7), by striking ''sole-source'' and inserting ''single-source'';

(5) in subsection (h)(2)(A), by striking ''sole-source'' and inserting ''single-source''; and

(6) in subsection (l), by striking paragraph (3) and inserting the following:

''(3) SINGLE-SOURCE BASIS.—The term 'single-source basis', with respect to an award of a contract, means that the contract is awarded to a source after soliciting an offer or offers from, and negotiating with, only such source (although such source is not the only source in the marketplace capable of meeting the need) because such source is the most advantageous source for purposes of the award.''.

CHAPTER 3—TEACHER QUALITY ENHANCEMENT

SEC. 7331. TEACHER QUALITY ENHANCEMENT GRANTS FOR STATES AND PARTNERSHIPS.

Part A of title II (20 U.S.C. 1021 et seq.) is amended to read as follows:

''PART A—TEACHER QUALITY ENHANCEMENT GRANTS FOR STATES AND PARTNERSHIPS

''SEC. 201. PURPOSES; DEFINITIONS.

''(a) PURPOSES.—The purposes of this part are to—

''(1) improve student achievement;

''(2) improve the quality of the current and future teaching force by improving the preparation of prospective teachers and enhancing professional development activities;

''(3) hold institutions of higher education accountable for preparing highly qualified teachers; and

''(4) recruit qualified individuals, including minorities and individuals from other occupations, into the teaching force.

''(b) DEFINITIONS.—In this part:

''(1) ARTS AND SCIENCES.—The term 'arts and sciences' means—

''(A) when referring to an organizational unit of an institution of higher education, any academic unit that offers 1 or more academic majors in disciplines or content areas corresponding to the academic subject areas in which teachers provide instruction; and

''(B) when referring to a specific academic subject area, the disciplines or content areas in which academic majors are offered by the arts and sciences organizational unit.

''(2) CHILDREN FROM LOW-INCOME FAMILIES.—The term 'children from low-income families' means children as described in section 1124(c)(1)(A) of the Elementary and Secondary Education Act of 1965.

''(3) EARLY CHILDHOOD EDUCATION PROGRAM.—The term 'early childhood education program' means a Head Start program or an Early Head Start program carried out under the Head Start Act (42 U.S.C. 9831 et seq.), a State licensed or regulated child care program or school, or a State prekindergarten program that serves children from birth through kindergarten and that addresses the children's cognitive (including language, early literacy, and pre-numeracy), social, emotional, and physical development.

''(4) EARLY CHILDHOOD EDUCATOR.—The term 'early childhood educator' means an individual with primary responsibility for the education of children in an early childhood education program.

''(5) EDUCATIONAL SERVICE AGENCY.—The term 'educational service agency' has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965.

''(6) EXEMPLARY TEACHER.—The term 'exemplary teacher' has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965.

''(7) HIGH-NEED LOCAL EDUCATIONAL AGENCY.—The term 'high-need local educational agency' means a local educational agency or educational service agency—

''(A)(i) that serves not fewer than 10,000 children from low-income families;

''(ii) for which not less than 20 percent of the children served by the agency are children from low-income families; or

''(iii) with a total of less than 600 students in average daily attendance at the schools that are served by the agency and all of whose schools are designated with a school locale code of 7 or 8, as determined by the Secretary; and

''(B)(i) for which there is a high percentage of teachers not teaching in the academic subject areas or grade levels in which the teachers were trained to teach; or

''(ii) for which there is a high teacher turnover rate or a high percentage of teachers with emergency, provisional, or temporary certification or licensure.

''(8) HIGHLY QUALIFIED.—The term 'highly qualified' has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965 and, with respect to special education teachers, in section 602 of the Individuals with Disabilities Education Act.

''(9) PROFESSIONAL DEVELOPMENT.—The term 'professional development' has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965.

''(10) SCIENTIFICALLY BASED READING RESEARCH.—The term 'scientifically based reading research' has the meaning given such term in section 1208 of the Elementary and Secondary Education Act of 1965.

''(11) SCIENTIFICALLY BASED RESEARCH.—The term 'scientifically based research' has the meaning given such term in section 9101 of the Elementary and Secondary Education Act of 1965.

''(12) TEACHER MENTORING.—The term 'teacher mentoring' means mentoring of teachers through an established or implemented program—

''(A) that includes qualifications for mentors;

''(B) that provides training for mentors;

''(C) that provides regular and ongoing opportunities for mentors and mentees to observe each other's teaching methods in classroom settings during the school day;

''(D) in which the mentoring is provided by a colleague who teaches in the same field, grade, or subject as the mentee; and

''(E) that includes—

''(i) common planning time or regularly scheduled collaboration with teachers in the teachers' same field, grade, or subject area; and

''(ii) additional professional development opportunities.

''(13) TEACHING SKILLS.—The term 'teaching skills' means the ability to—

''(A) increase student achievement;

''(B) effectively convey and explain academic subject matter;

''(C) employ strategies that—

''(i) are based on scientifically based research;

''(ii) are specific to academic subject matter; and

''(iii) focus on identification and tailoring of academic instruction to students' specific learning needs, particularly students with disabilities, students who are limited English proficient, and students who are gifted and talented;

''(D) conduct ongoing assessment of student learning;

''(E) effectively manage a classroom;

''(F) communicate and work with parents and guardians, and involve parents and guardians in their children's education; and

''(G) in the case of an early childhood educator, use age appropriate strategies and practices for children in early childhood education programs.

''SEC. 202. STATE GRANTS.

''(a) IN GENERAL.—From amounts made available under section 209(a)(1) for a fiscal year, the Secretary is authorized to award grants under this section, on a competitive basis, to eligible States to enable the eligible States to carry out the activities described in subsections (d) and (e).

''(b) ELIGIBLE STATE.—

''(1) DEFINITION.—In this part, the term 'eligible State' means—

''(A) the Governor of a State; or

''(B) in the case of a State for which the constitution or law of such State designates another individual, entity, or agency in the State to be responsible for teacher certification or licensure and preparation activity, such individual, entity, or agency.

''(2) CONSULTATION.—The Governor or the individual, entity, or agency designated under paragraph (1)(B) shall consult with the Governor, State board of education, State educational agency, State agency for higher education, or other applicable State entities (including the State agency responsible for early childhood education), as appropriate, with respect to the activities assisted under this section, including the development of the grant application and implementation of the activities.

''(3) CONSTRUCTION.—Nothing in this subsection shall be construed to negate or supersede the legal authority under State law of any State agency, State entity, or State public official over programs that are under the jurisdiction of the agency, entity, or official.

''(c) APPLICATION.—To be eligible to receive a grant under this section, an eligible State shall submit an application to the Secretary that—

''(1) meets the requirement of this section;

''(2) demonstrates that the eligible State is in full compliance with—

''(A) sections 206(b) and 207; and

''(B) if applicable, sections 207(b) and 208, as such sections were in effect on the day before the date of enactment of the Higher Education Amendments of 2005;

''(3) includes a description of how the eligible State intends to use funds provided under this section;

''(4) includes measurable objectives for the use of the funds provided under this section;

''(5) describes how funded activities will—

''(A) reduce shortages, if any, of—

''(i) highly qualified general and special education teachers, including in low-income urban and rural areas and in high-need academic subject areas; and

''(ii) fully competent early childhood educators; and

''(B) be consistent with State, local, and other education reform activities that promote effective teaching skills and student academic achievement and consistent with State early learning standards for early childhood education programs, including how funded activities will support carrying out the applicable requirements of the eligible State under sections 1111 and 1119 of the Elementary and Secondary Education Act of 1965, and section 612(a)(14) of the Individuals with Disabilities Education Act;

''(6) contains an assurance that the eligible State will carry out each of the intended uses of grant funds described in paragraph (3);

''(7) describes the eligible State's—

''(A) current capacity to measure the effectiveness of teacher preparation programs and professional development activities within the State using available statewide data;

''(B) activities to enhance or expand the integration of existing data systems to better measure the effectiveness of teacher preparation programs and professional development activities within the State; or

''(C) if such data systems do not exist, plans for the development of an integrated statewide data system to measure the effectiveness of teacher preparation programs and professional development activities within the State using available statewide data; and

''(8) contains such other information and assurances as the Secretary may require.

''(d) REQUIRED USES OF FUNDS.—An eligible State that receives a grant under this section shall use the grant funds to reform teacher preparation requirements, to coordinate with State activities under section 2113(c) of the Elementary and Secondary Education Act of 1965 and subsections (a) and (b) of section 654 of the Individuals with Disabilities Education Act, and to ensure that current and prospective teachers are highly qualified, by carrying out each of the following activities:

''(1) REFORMS.—Ensuring that all teacher preparation programs in the State are preparing current or prospective teachers to become highly qualified, to understand scientifically based research and its applicability, and to use technology effectively, including use of instructional techniques to improve student academic achievement, by assisting such programs—

''(A) in retraining faculty;

''(B) in designing (or redesigning) teacher preparation programs so that such programs—

''(i) are based on rigorous academic content and scientifically based research (including scientifically based reading research), and aligned with challenging State academic content standards;

''(ii) promote effective teaching skills; and

''(iii) promote understanding of effective instructional strategies for students with special needs, including students with disabilities, students who are limited English proficient, and students who are gifted and talented;

''(C) in ensuring collaboration with departments, programs, or units outside of the teacher preparation program in relevant academic content areas to ensure a successful combination of training in both teaching and such content;

''(D) in developing high-quality, rigorous clinical experiences (that include student teaching experience) in which students participate while enrolled in a teacher preparation program, lasting not less than 1 term, through dissemination of best practices, technical assistance, or other relevant activities; and

''(E) in collecting and using data, in collaboration with institutions of higher education, schools, and local educational agencies, on teacher retention rates, by school, to evaluate and strengthen the effectiveness of the State's teacher support system.

''(2) CERTIFICATION OR LICENSURE REQUIREMENTS.—Reforming teacher certification or licensure requirements to ensure that—

''(A) teachers have the academic content knowledge and teaching skills in the academic subject areas that the teachers teach that are necessary to help students meet challenging State student academic achievement standards, as required under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965;

''(B) such requirements are aligned with challenging State academic content standards, as required under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965;

''(C) teacher certification and licensure assessments are—

''(i) used for purposes for which such assessments are valid and reliable;

''(ii) consistent with relevant, professional, and technical standards; and

''(iii) aligned with the reporting requirements of sections 205 and 206; and

''(D) such requirements for high-need academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages) and high-need areas (such as special education, language instruction educational programs, and early childhood education) exist and reflect qualifications to help students meet high standards, which may include the development of a State test for such areas.

''(3) EVALUATION.—

''(A) ANNUAL EVALUATION.—An eligible State that receives a grant under this section shall evaluate annually the effectiveness of teacher preparation programs and professional development activities within the State. To the extent practicable, such evaluation shall examine—

''(i) teachers' contributions to improving student academic achievement, as measured by State academic assessments required under section 1111(b)(3) of the Elementary and Secondary Education Act of 1965; and

''(ii) teacher mastery of the academic subject matter the teachers teach.

''(B) PUBLIC REPORTING.—The eligible State shall make the information described in subparagraph (A) widely available through public means, such as posting on the Internet, distribution to the media, and distribution through public agencies, except such reporting shall not be made in a case in which the reporting of the data would reveal personally identifiable information about a teacher or student.

''(C) BETTER MEASUREMENT OF EFFECTIVENESS.—

''(i) IN GENERAL.—An eligible State that receives a grant under this section and does not have the capacity to measure the effectiveness of teacher preparation programs and professional development activities within the State using available statewide data, shall use a portion of funds received under this section to enhance or expand the integration of existing data systems, as described in subsection (c)(7)(B), or develop an integrated statewide data system, as described in subsection (c)(7)(C), to better measure and provide information that will improve the effectiveness of teacher preparation programs on student learning and achievement, and the impact of pre-service and ongoing professional development on teacher placement and retention.

''(ii) TECHNICAL QUALITY; STUDENT PRIVACY; FUNDS FROM OTHER SOURCES.—In carrying out clause (i), the eligible State shall ensure—

''(I) the technical quality of the data system to maximize the validity, reliability, and accessibility of the data;

''(II) that student privacy is protected and that individually identifiable information about students, their achievements, and their families remains confidential, in accordance with the Family Educational Rights and Privacy Act of 1974; and

''(III) that funds provided under this section are used to supplement State efforts to enhance or expand the integration of existing data systems or to develop an integrated statewide data system.

''(e) ALLOWABLE USES OF FUNDS.—An eligible State that receives a grant under this section may use the grant funds to reform teacher preparation requirements, to coordinate with State activities under section 2113(c) of the Elementary and Secondary Education Act of 1965 and subsections (a) and (b) of section 654 of the Individuals with Disabilities Education Act, and to ensure that current and future teachers are highly qualified, by carrying out any of the following activities:

''(1) ALTERNATIVES TO TRADITIONAL PREPARATION FOR TEACHING AND STATE CERTIFICATION OR LICENSURE.—Providing prospective teachers with alternative routes to State certification or licensure and alternative route programs to become highly qualified teachers through—

''(A) innovative approaches that reduce unnecessary barriers to State certification or licensure while producing highly qualified teachers;

''(B) a selective means for admitting individuals into such programs that includes passage of State approved teacher examinations in appropriate subject areas;

''(C) programs that help prospective teachers develop effective teaching skills and strategies through knowledge of research-based information on the learning process and learning practices;

''(D) programs that provide support to teachers during the teachers' initial years in the profession; and

''(E) alternative routes to State certification or licensure of teachers for qualified individuals, including mid-career professionals from other occupations, paraprofessionals, former military personnel, and recent college graduates with records of academic distinction.

''(2) INNOVATIVE PROGRAMS.—Planning and implementing innovative programs to enhance the ability of institutions of higher education, including charter colleges of education, or university and local educational agency partnership schools, to prepare highly qualified teachers, which programs shall—

''(A) permit flexibility in the manner in which the institution of higher education meets State requirements as long as graduates, during the graduates' initial years in the profession, increase student academic achievement;

''(B) provide a description in the application of long-term data gathered from teachers' performance over multiple years in the classroom regarding the teachers' ability to increase student academic achievement;

''(C) ensure high-quality preparation of teachers from underrepresented groups;

''(D) create performance measures that can be used to document the effectiveness of innovative methods for preparing highly qualified teachers; and

''(E) develop frameworks for exemplary induction programs informed by research and best practices.

''(3) TEACHER RECRUITMENT AND RETENTION.—Undertaking activities that develop and implement effective mechanisms to ensure that local educational agencies and schools are able to recruit and retain highly qualified teachers, which may include the following activities:

''(A) PERFORMANCE BASED COMPENSATION.—Assisting local educational agencies in developing—

''(i) performance systems that reward teachers who increase student academic achievement and take on additional responsibilities, such as teacher mentoring and serving as master teachers; and

''(ii) strategies that provide differential and bonus pay in high-need local educational agencies to recruit and retain—

''(I) principals;

''(II) highly qualified teachers who teach in high-need academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages);

''(III) highly qualified teachers who teach in schools identified for school improvement under section 1116(b) of the Elementary and Secondary Education Act of 1965;

''(IV) highly qualified special education teachers;

''(V) highly qualified teachers specializing in teaching children who are limited English proficient; and

''(VI) highly qualified teachers in low-income urban and rural schools or districts.

''(B) ADDITIONAL MECHANISMS.—Developing and implementing effective mechanisms to ensure that local educational agencies and schools are able to—

''(i) address needs identified with respect to—

''(I) underrepresented groups;

''(II) high-need academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages);

''(III) high-need areas (such as special education, language instruction educational programs for limited English proficient students, and early childhood education);

''(IV) high-need communities, such as rural and urban areas; and

''(V) high-need schools, including schools with high rates of teacher turnover;

''(ii) offer teacher mentoring for new teachers during such teachers' initial years of teaching; and

''(iii) provide access to ongoing professional development and innovative training opportunities for teachers and administrators.

''(C) TEACHER ADVANCEMENT.—Assisting local educational agencies in developing teacher advancement and retention initiatives that promote professional growth and emphasize multiple career paths (such as paths to becoming a highly qualified mentor teacher or exemplary teacher) and pay differentiation.

''(D) RECRUIT QUALIFIED PROFESSIONALS.—Developing recruitment programs or assisting local educational agencies in—

''(i) recruiting qualified professionals from other fields, including highly qualified paraprofessionals (as defined in section 2102 of the Elementary and Secondary Education Act of 1965); and

''(ii) providing such professionals with alternative routes to teacher certification or licensure.

''(E) UNDERREPRESENTED POPULATIONS.—Providing increased opportunities for minorities, individuals with disabilities, and other individuals underrepresented in the teaching profession to become highly qualified teachers.

''(F) RURAL EDUCATION RECRUITMENT AND RETENTION PROGRAMS.—Making grants to rural school districts, or a consortia of rural school districts, to implement—

''(i) teacher recruitment strategies, which may include tuition assistance, student loan forgiveness, housing assistance, bonus pay, and other effective approaches;

''(ii) teacher retention strategies, such as mentoring programs and ongoing opportunities for professional growth and advancement; and

''(iii) partnerships with institutions of higher education designed to—

''(I) prepare beginning teachers to teach; and

''(II) assist teachers (including teachers who teach multiple subjects) to become highly qualified.

''(4) TEACHER SCHOLARSHIPS AND SUPPORT.—Providing—

''(A) scholarships to help students, such as individuals who have been accepted by, or who are enrolled in, a program of undergraduate education or initial teacher preparation at an institution of higher education, pay the costs of tuition, room, board, and other expenses of completing a teacher preparation program, if—

''(i) the Secretary establishes such requirements as the Secretary determines necessary to ensure that recipients of scholarships under this section who complete teacher preparation programs—

''(I) subsequently teach in an early childhood education program or a high-need local educational agency for a period of time equivalent to the period of time for which the recipient received scholarship assistance, plus an additional 1 year; or

''(II) repay the amount of the scholarship if the recipient does not teach as described in subclause (I); and

''(ii) the eligible State provides an assurance that the eligible State will recruit minority students to become highly qualified teachers;

''(B) support services, if needed, to enable scholarship recipients to complete postsecondary education programs, or to move from a career outside of the field of education into a teaching career; and

''(C) follow-up services to former scholarship recipients during the recipients' initial years of teaching.

''(5) TEACHER REMOVAL.—Developing and implementing effective mechanisms to ensure that local educational agencies and schools are able to expeditiously remove incompetent or unqualified teachers consistent with procedures to ensure due process for the teachers.

''(6) TEACHER EFFECTIVENESS.—Developing—

''(A) systems to measure the effectiveness of teacher preparation programs and professional development programs; and

''(B) strategies to document gains in student academic achievement or increases in teacher mastery of the academic subject matter the teachers teach, as a result of such programs.

''(7) EARLY CHILDHOOD EDUCATORS.—Developing strategies to improve and expand teacher preparation programs for early childhood educators to teach in early childhood education programs.

''(8) PROFESSIONAL DEVELOPMENT.—Developing and enhancing high-quality professional development, instructional materials, and relevant educational materials.

''(9) TECHNOLOGY.—Assisting teachers to use technology effectively, including use for instructional techniques and the collection, management, and analysis of data to improve teaching, learning, and decision making for the purpose of increasing student academic achievement.

''(10) AREAS OF INSTRUCTIONAL SHORTAGE.—Increasing the number of—

''(A) teachers in the classroom providing instruction in high-need academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages) and high-need areas (such as special education, language instruction educational programs for limited English proficient students, and early childhood education); and

''(B) special education faculty dedicated to preparing highly qualified special education teachers at institutions of higher education.

''(11) TECHNICAL ASSISTANCE.—Providing technical assistance to low-performing programs of teacher preparation within institutions of higher education identified under section 207(a).

''(12) EVALUATION SUPPORT.—Performing data collection, evaluation, and reporting to meet the requirements of subsection (d)(3).

''(13) PROFESSIONAL ADVANCEMENT.—Developing a professional advancement system to—

''(A) initiate or enhance a system in which highly qualified teachers who pursue advanced licensure levels are required to demonstrate increased competencies and undertake increased responsibilities for increased compensation as the teachers progress through levels established by the State; or

''(B) provide opportunities for professional growth, including through—

''(i) a nationally recognized advance credentialing system; or

''(ii) special certification in advanced placement or international baccalaureate content, teaching gifted and talented students, and pedagogy.

''(f) SUPPLEMENT, NOT SUPPLANT.—Funds made available under this section shall be used to supplement, and not supplant, other Federal, State, and local funds that would otherwise be expended to carry out activities under this section.

''SEC. 203. PARTNERSHIP GRANTS.

''(a) GRANTS.—From amounts made available under section 209(a)(2) for a fiscal year, the Secretary is authorized to award grants under this section, on a competitive basis, to eligible partnerships to enable the eligible partnerships to carry out the activities described in subsections (e) and (f).

''(b) DEFINITIONS.—

''(1) ELIGIBLE PARTNERSHIP.—

''(A) IN GENERAL.—In this part, the term 'eligible partnership' means an entity that shall include—

''(i) a partner institution;

''(ii) a school of arts and sciences;

''(iii) a high-need local educational agency and a school or a consortium of schools served by the agency; and

''(iv) at least 1 individual or entity described in subparagraph (B).

''(B) ADDITIONAL INDIVIDUALS AND ENTITIES.—In this part, the term 'eligible partnership' means an entity that shall include at least 1 of the following:

''(i) A Governor.

''(ii) A State educational agency.

''(iii) A State board of education.

''(iv) A State agency for higher education.

''(v) A school or department within the partner institution focusing on education, psychology, human development, or a department with comparable expertise in the disciplines of teaching, learning, and child and adolescent development.

''(vi) An institution of higher education or a department within such institution, not described in subparagraph (A).

''(vii) A public charter school.

''(viii) A public or private elementary school or secondary school.

''(ix) A public or private nonprofit educational organization.

''(x) A business.

''(xi) A science-, mathematics-, or technology-oriented entity.

''(xii) An early childhood education program.

''(xiii) A teacher organization.

''(xiv) An educational service agency.

''(xv) A consortium of local educational agencies.

''(xvi) A nonprofit telecommunications entity.

''(2) PARTNER INSTITUTION.—In this section, the term 'partner institution' means an institution of higher education, which may include a 2-year institution of higher education offering a dual program with a 4-year institution of higher education, that has a teacher preparation program—

''(A) whose graduates exhibit strong performance on State-determined qualifying assessments for new teachers through—

''(i) demonstrating that 80 percent or more of the graduates of the program who intend to enter the field of teaching have passed all of the applicable State qualification assessments for new teachers, which shall include an assessment of each prospective teacher's subject matter knowledge in the content area in which the teacher intends to teach; or

''(ii) being ranked among the highest-performing teacher preparation programs in the State as determined by the State—

''(I) using criteria consistent with the requirements for the State report card under section 206(b); and

''(II) using the State report card on teacher preparation required under section 206(b), after the first publication of such report card and for every year thereafter; or

''(B) that requires all the students of the program to meet high academic standards and participate in intensive clinical experience, and—

''(i) in the case of secondary school candidates, to successfully complete—

''(I) a major or its equivalent in coursework in the academic subject area in which the candidate intends to teach; or

''(II) a related major in the academic subject area in which the candidate intends to teach;

''(ii) in the case of elementary school candidates, to successfully complete—

''(I) an academic major or its equivalent in coursework in the arts and sciences; or

''(II) a major in elementary education with a significant amount of coursework in the arts and sciences; and

''(iii) in the case of early childhood educators, to become fully competent and meet degree requirements, as established by the State.

''(c) APPLICATION.—Each eligible partnership desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information as the Secretary may require. Each such application shall contain—

''(1) a needs assessment of all the partners with respect to the preparation, induction,

and professional development of early childhood educators, general and special education teachers, and principals;

''(2) a description of the extent to which the teacher preparation program of the eligible partnership prepares new teachers with effective teaching skills;

''(3) a description of how the eligible partnership will coordinate with other teacher preparation or professional development programs, including those funded under the Elementary and Secondary Education Act of 1965 and the Individuals with Disabilities Education Act, and how the activities of the eligible partnership will be consistent with State, local, and other education reform activities that promote student achievement;

''(4) a resource assessment that describes the resources available to the eligible partnership, the intended use of the grant funds (including a description of how the grant funds will be fairly distributed), and the commitment of the resources of the eligible partnership to the activities assisted under this part, including financial support, faculty participation, time commitments, and continuation of the activities when the grant period ends;

''(5) a description of—

''(A) how the eligible partnership will meet the purposes of this part;

''(B) how the eligible partnership will carry out the activities required under subsection (e) and any permissible activities under subsection (f);

''(C) the eligible partnership's evaluation plan pursuant to section 205(b);

''(D) how the eligible partnership will align the teacher preparation program with the challenging student academic achievement standards, State early learning standards for early childhood education programs (where applicable), and challenging academic content standards, established by the State in which the partnership is located;

''(E) how faculty of the teacher preparation program at the partner institution will serve, over the period of the grant, with highly qualified teachers in the classrooms of the high-need local educational agency included in the eligible partnership;

''(F) how the eligible partnership will ensure that teachers, principals, and superintendents in all schools (including private schools, as appropriate) located in the geographic areas served by an eligible partnership under this section are provided information about the activities carried out with funds under this section, including through electronic means;

''(G) how the eligible partnership will design, implement, or enhance the clinical program component, including promoting close supervision of student teachers by faculty of the teacher preparation program and mentor teachers while in the program and during the student teachers' initial years of teaching if hired by schools included in the eligible partnership;

''(H) how the eligible partnership will develop or enhance an induction program that includes high-quality professional development to support new teachers during the teachers' initial years of teaching that includes teacher mentoring and collaborating with teachers in the same grade, department, or field; and

''(I) how the eligible partnership will collect, analyze, use, and disseminate data on the retention of all teachers in schools located in the geographic areas served by the eligible partnership to evaluate the effectiveness of its teacher support system; and

''(6) an assurance that the eligible partnership will carry out each of the activities described in paragraph (5).

''(d) CONSULTATION.—

''(1) IN GENERAL.—Members of an eligible partnership that receives a grant under this section shall engage in regular consultation throughout the development and implementation of programs and activities under this section.

''(2) REGULAR COMMUNICATION.—To ensure timely and meaningful consultation, regular communication shall occur among all members of the eligible partnership, including the high-need local educational agency. Such communication shall continue throughout the implementation of the grant and the assessment of programs and activities under this section.

''(3) WRITTEN CONSENT.—The Secretary may approve changes in grant activities only if a written consent signed by all members of the eligible partnership is submitted to the Secretary.

''(e) REQUIRED USES OF FUNDS.—An eligible partnership that receives a grant under this section shall use the grant funds to carry out each of the following activities:

''(1) REFORMS.—Ensuring that each teacher preparation program and each early childhood educator preparation program, where applicable, of the eligible partnership that is assisted under this section addresses the needs identified in the needs assessment of the partnership and is preparing current or prospective teachers to be highly qualified, and, where applicable, early childhood educators to be fully competent, to understand scientifically based research and its applicability, and to use technology effectively, including use of instructional techniques to improve student academic achievement, and in the case of early childhood educators, techniques to improve children's cognitive, social, emotional, and physical development, by assisting such programs—

''(A) in retraining faculty;

''(B) in designing (or redesigning) teacher preparation programs so that such programs—

''(i) are based on rigorous academic content and scientifically based research (including scientifically based reading research), and aligned with challenging State academic content standards, as required under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965, and for early childhood educators, aligned with State early learning standards;

''(ii) promote effective teaching skills;

''(iii) promote understanding of effective instructional strategies for students with special needs, including students with disabilities, students who are limited English proficient, students who are gifted and talented, and children in early childhood education programs; and

''(iv) promote high-quality mathematics, science, and foreign language instruction, where applicable;

''(C) in ensuring collaboration with departments, programs, or units outside of the teacher preparation program in all academic content areas to ensure a successful combination of training in both teaching and such content; and

''(D) in developing high-quality, rigorous clinical experiences, lasting not less than 1 term, through dissemination of best practices, technical assistance, or other relevant activities.

''(2) CLINICAL EXPERIENCE AND INTERACTION.—Improving sustained and high-quality preservice clinical experiences, including—

''(A) providing teacher mentoring; and

''(B) substantially increasing interaction between faculty at institutions of higher education and new and experienced teachers, principals, and other administrators at elementary schools or secondary schools, and providing support, including preparation time and release time, for such interaction.

''(3) SUPPORT PROGRAMS FOR NEW TEACHERS.—Creating a program to support new teachers during the initial years of teaching (for not less than 1 year and not more than 3 years). Such program shall promote effective teaching skills and may include the following components:

''(A) Development of skills in educational interventions based on scientifically based research.

''(B) Development of knowledge of scientifically based research on teaching and learning.

''(C) Inclusion of faculty who model the integration of research and practice in the classroom.

''(D) Opportunities for—

''(i) high-quality teacher mentoring; and

''(ii) additional professional development, dissemination of evidence-based research on educational practices, and professional development activities.

''(E) Interdisciplinary collaboration among exemplary teachers, faculty, researchers, and other staff who prepare new teachers in the learning process and the assessment of learning.

''(f) ALLOWABLE USES OF FUNDS.—An eligible partnership that receives a grant under this section may use the grant funds to carry out any of the following activities that address the needs identified in the needs assessment:

''(1) ALTERNATIVES TO TRADITIONAL PREPARATION FOR TEACHING AND STATE CERTIFICATION OR LICENSURE.—The activity described in section 202(e)(1).

''(2) DISSEMINATION AND COORDINATION.—Broadly disseminating information on effective practices used by the eligible partnership, and coordinating with the recruitment and training activities of the Governor, State board of education, State agency for higher education, State agency responsible for early childhood education, and State educational agency, as appropriate.

''(3) INNOVATIVE PROGRAMS.—Developing innovative programs designed to provide graduates of programs funded under this title with opportunities to continue their education through supports and opportunities to improve instructional practices in the initial years of teaching, including the following:

''(A) INTERNSHIPS.—

''(i) TEACHER PREPARATION ENHANCEMENT INTERNSHIP.—Developing a 1-year paid internship program for students who have completed an initial teacher preparation program, or alternative routes to State certification or licensure program, to enable such students to develop the skills and experience necessary for success in teaching, including providing intensive clinical training and combining in-service instruction in teacher methods and assessments with classroom observations, experiences, and practices. Such interns shall have a reduced teaching load and a mentor for assistance in the classroom.

''(ii) MID-CAREER PROFESSIONAL INTERNSHIPS.—Developing a 1-year paid internship program for mid-career professionals from other occupations, former military personnel, and recent college graduates from fields other than teacher preparation with records of academic distinction to enable such individuals to develop the skills and experience necessary for success in teaching, including providing intensive clinical training and combining in-service instruction in teacher methods and assessments with classroom observations, experiences, and practices. Such interns shall have a reduced teaching load and a mentor for assistance in the classroom.

''(B) RESIDENCY PROGRAMS FOR NEW TEACHERS.—Supporting teachers in a residency program that provides an induction period for all new general education and special education teachers that includes—

''(i) a forum for information sharing among prospective teachers, teachers, principals, administrators, and participating faculty in the partner institution; and

''(ii) the application of scientifically based research on teaching and learning generated by entities such as the Institute of Education Sciences, and the National Research Council of the National Academies.

''(C) PATHWAYS FOR PARAPROFESSIONALS TO ENTER TEACHING.—Creating intensive programs to provide the coursework and clinical experiences needed by highly qualified paraprofessionals, as defined in section 2102 of the Elementary and Secondary Education Act of 1965, to qualify for State teacher certification or licensure to become highly qualified teachers.

''(4) MANAGERIAL AND LEADERSHIP SKILLS.—Developing and implementing proven mechanisms to provide principals and superintendents with effective managerial, leadership, curricula, and instructional skills that result in increased student academic achievement.

''(5) TEACHER SCHOLARSHIPS AND SUPPORT.—Providing—

''(A) scholarships to help students, such as individuals who have been accepted by, or who are enrolled in, a program of undergraduate education at an institution of higher education, pay the costs of tuition, room, board, and other expenses of completing a teacher preparation program, if—

''(i) the Secretary establishes such requirements as the Secretary determines necessary to ensure that recipients of scholarships under this paragraph who complete teacher preparation programs—

''(I) subsequently teach in a high-need local educational agency for a period of time equivalent to the period of time for which the recipient received the scholarship assistance, plus an additional 1 year; or

''(II) repay the amount of the scholarship if the recipient does not teach as described in subclause (I); and

''(ii) the eligible partnership provides an assurance that the eligible partnership will recruit minority students to become highly qualified teachers;

''(B) support services, if needed, to enable scholarship recipients to complete postsecondary education programs, or to transition from a career outside of the field of education into a teaching career; and

''(C) follow-up services for former scholarship recipients during the recipients' initial years of teaching.

''(6) COORDINATION WITH COMMUNITY COLLEGES.—

''(A) TEACHER PREPARATION PROGRAMS.—Coordinating with 2-year institutions of higher education to implement teacher preparation programs, including through distance learning, for the purposes of allowing prospective teachers—

''(i) to obtain a bachelor's degree and State certification or licensure; and

''(ii) to become highly qualified teachers.

''(B) PROFESSIONAL DEVELOPMENT.—Coordinating with 2-year institutions of higher education to provide professional development that—

''(i) improves the academic content knowledge of teachers in the academic subject areas in which the teachers are certified or licensed to teach, or in which the teachers are working toward certification or licensure to teach; and

''(ii) promotes effective teaching skills.

''(7) CLINICAL EXPERIENCE IN SCIENCE, MATHEMATICS, AND TECHNOLOGY.—Creating opportunities for clinical experience and training for teachers and prospective teachers through participation with professionals in business, research, and work environments in areas relating to science, mathematics, and technology, including opportunities for using laboratory equipment.

''(8) PROFESSIONAL DEVELOPMENTCreating opportunities for enhanced and ongoing professional development for experienced general education and special education teachers, early childhood educators, principals, administrators, and faculty.

''(9) TECHNOLOGY.—The activity described in section 202(e)(9).

''(10) AREAS OF INSTRUCTIONAL SHORTAGE.—Increasing the number of—

''(A) teachers in the classroom providing instruction in high-need academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages), and high-need areas (such as special education, language instruction educational programs for limited English proficient students, and early childhood education);

''(B) special education faculty dedicated to preparing highly qualified special education teachers at institutions of higher education; and

''(C) faculty at institutions of higher education with expertise in instruction of students who are limited English proficient.

''(11) IMPROVING INSTRUCTION.—Improving instruction by—

''(A) improving understanding and instruction in core academic subjects and other, specialized courses, such as geography, American history and government, and world history; and

''(B) creating externships for teachers and prospective teachers for field experience and training through participation in business, research, and work environments in high-need academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages) and high-need areas (such as special education, language instruction educational programs for limited English proficient students, and early childhood education).

''(12) GRADUATE PROGRAMS.—Developing, in collaboration with departments, programs, or units of both academic content and teacher education within a partner institution, master's degree programs that meet the demonstrated needs of teachers in the high-need local educational agency participating in the eligible partnership for content expertise and teaching skills.

''(13) LITERACY TEACHER TRAINING.—Establishing and implementing a program that strengthens content knowledge and teaching skills of secondary school teachers in literacy that—

''(A) provides teacher training and stipends for literacy coaches who train classroom teachers to implement literacy programs;

''(B) develops or redesigns rigorous research-based curricula that are aligned with challenging State academic content standards, as required under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965, and with postsecondary standards for reading and writing;

''(C) provides training and stipends for teachers to tutor students with intense individualized reading, writing, and subject matter instruction during or beyond the school day;

''(D) provides opportunities for teachers to plan and assess instruction with other teachers, school leaders, and faculty at institutions of higher education; and

''(E) establishes an evaluation and accountability plan for activities conducted under this paragraph to measure the impact of such activities.

''(g) CONSTRUCTION.—Nothing in this section shall be construed to prohibit an eligible partnership from using grant funds to coordinate with the activities of eligible partnerships in other States or on a regional basis through Governors, State boards of education, State educational agencies, State agencies responsible for early childhood education, local educational agencies, or State agencies for higher education.

''(h) SUPPLEMENT, NOT SUPPLANT.—Funds made available under this section shall be used to supplement, and not supplant, other Federal, State, and local funds that would otherwise be expended to carry out activities under this section.

''SEC. 204. ADMINISTRATIVE PROVISIONS.

''(a) DURATION; NUMBER OF AWARDS; PAYMENTS.—

''(1) DURATION.—

''(A) ELIGIBLE STATES.—Grants awarded to eligible States under this part shall be awarded for a period not to exceed 3 years.

''(B) ELIGIBLE PARTNERSHIPS.—Grants awarded to eligible partnerships under this part shall be awarded for a period of 5 years.

''(2) NUMBER OF AWARDS.—An eligible partnership may not receive more than 1 grant during a 5-year period. Nothing in this title shall be construed to prohibit an individual member, that can demonstrate need, of an eligible partnership that receives a grant under this title from entering into another eligible partnership consisting of new members and receiving a grant with such other eligible partnership before the 5-year period described in the preceding sentence applicable to the eligible partnership with which the individual member has first partnered has expired.

''(3) PAYMENTS.—The Secretary shall make annual payments of grant funds awarded under this part.

''(b) PEER REVIEW.—

''(1) PANEL.—The Secretary shall provide the applications submitted under this part to a peer review panel for evaluation. With respect to each application, the peer review panel shall initially recommend the application for funding or for disapproval.

''(2) PRIORITY.—In recommending applications to the Secretary for funding under this part, the panel shall—

''(A) with respect to grants under section 202, give priority to eligible States—

''(i) that have innovative reforms to hold institutions of higher education with teacher preparation programs accountable for preparing teachers to become highly qualified and have effective teaching skills;

''(ii) that have innovative efforts aimed at reducing the shortage of highly qualified general and special education teachers, including in low-income urban and rural areas and in high-need academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages); and

''(iii) whose awards promote an equitable geographic distribution of grants among rural and urban areas; and

''(B) with respect to grants under section 203, give priority—

''(i) to applications from broad-based eligible partnerships that involve businesses and community organizations; and

''(ii) to eligible partnerships so that the awards promote an equitable geographic distribution of grants among rural and urban areas.

''(3) SECRETARIAL SELECTION.—The Secretary shall determine, based on the peer review process, which applications shall receive funding and the amounts of the grants. In determining grant amounts, the Secretary shall take into account the total amount of funds available for all grants under this part

and the types of activities proposed to be carried out.

''(c) MATCHING REQUIREMENTS.—

''(1) STATE GRANTS.—Each eligible State receiving a grant under section 202 shall provide, from non-Federal sources, an amount equal to 50 percent of the amount of the grant (in cash or in kind) to carry out the activities supported by the grant.

''(2) PARTNERSHIP GRANTS.—Each eligible partnership receiving a grant under section 203 shall provide, from non-Federal sources (in cash or in kind), an amount equal to 25 percent of the amount of the grant for the first year of the grant, 35 percent of the amount of the grant for the second year of the grant, and 50 percent of the amount of the grant for each succeeding year of the grant.

''(d) LIMITATION ON ADMINISTRATIVE EXPENSES.—An eligible State or eligible partnership that receives a grant under this part may use not more than 2 percent of the grant funds for purposes of administering the grant.

''(e) ADDITIONAL ACTIVITIES.—The Secretary shall use funds repaid pursuant to section 202(e)(4)(A)(i)(II) or section 203(f)(5)(A)(i)(II) to carry out additional activities under section 202 or 203, respectively.

''SEC. 205. ACCOUNTABILITY AND EVALUATION.

''(a) STATE GRANT ACCOUNTABILITY REPORT.—An eligible State that receives a grant under section 202 shall submit an annual accountability report to the Secretary and the authorizing committees. Such report shall include a description of the degree to which the eligible State, in using funds provided under such section, has made progress in meeting the purposes of this part and substantial progress in meeting the following goals, as applicable:

''(1) STUDENT ACADEMIC ACHIEVEMENT.—Increasing student academic achievement for all students as defined by the eligible State.

''(2) RAISING STANDARDS.—Raising the State academic standards required to enter the teaching profession as a highly qualified teacher, and where applicable, as a fully competent early childhood educator.

''(3) INITIAL CERTIFICATION OR LICENSURE.—Improving the pass rates and scaled scores for initial State teacher certification or licensure, or increasing the numbers of qualified individuals being certified or licensed as teachers through alternative routes to State certification or licensure programs.

''(4) PERCENTAGE OF HIGHLY QUALIFIED TEACHERS.—Providing data on the progress of the State towards meeting the highly qualified teacher requirements under section 1119(a)(2) of the Elementary and Secondary Education Act of 1965.

''(5) DECREASING TEACHER SHORTAGES.—Decreasing shortages of—

''(A) highly qualified teachers in—

''(i) low-income urban and rural areas;

''(ii) high-need academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages);

''(iii) special education; and

''(iv) high-need areas (such as special education, language instruction educational programs for limited English proficient students, and early childhood education); and

''(B) fully competent early childhood educators.

''(6) INCREASING OPPORTUNITIES FOR PROFESSIONAL DEVELOPMENT.—Increasing opportunities for enhanced and ongoing professional development that—

''(A) improves the academic content knowledge of teachers in the academic subject areas in which the teachers are certified or licensed to teach or in which the teachers are working toward certification or licensure to teach; and

''(B) promotes effective teaching skills.

''(b) ELIGIBLE PARTNERSHIP EVALUATION.—Each eligible partnership submitting an application for a grant under section 203 shall establish and include in such application, an evaluation plan that includes strong performance objectives. The plan shall include objectives and measures for increasing—

''(1) student achievement for all students as measured by the eligible partnership;

''(2) teacher retention in the first 3 years of a teacher's career;

''(3) improvement in the pass rates and scaled scores for initial State certification or licensure of teachers;

''(4) the percentage of highly qualified teachers hired by the high-need local educational agency participating in the eligible partnership; and

''(5) the percentage of—

''(A) highly qualified teachers among underrepresented groups, in high-need academic subject areas (such as reading, mathematics, science, and foreign language, including less commonly taught languages), in high-need areas (such as special education, language instruction educational programs for limited English proficient students, and early childhood education), and in high-need schools;

''(B) elementary school, middle school, and secondary school classes taught by teachers who are highly qualified;

''(C) early childhood education program classes taught by providers who are fully competent; and

''(D) highly qualified special education teachers.

''(c) REVOCATION OF GRANT.—

''(1) ELIGIBLE STATES.—If the Secretary determines that an eligible State is not making substantial progress in meeting the purposes, goals, objectives, and measures, as appropriate, by the end of the second year of a grant under this part, then the grant payment shall not be made for the third year of the grant.

''(2) ELIGIBLE PARTNERSHIPS.—If the Secretary determines that an eligible partnership is not making substantial progress in meeting the purposes, goals, objectives, and measures, as appropriate, by the end of the third year of a grant under this part, then the grant payments shall not be made for any succeeding year of the grant.

''(d) EVALUATION AND DISSEMINATION.—The Secretary shall evaluate the activities funded under this part and report the Secretary's findings regarding the activities to the authorizing committees. The Secretary shall broadly disseminate—

''(1) successful practices developed by eligible States and eligible partnerships under this part; and

''(2) information regarding such practices that were found to be ineffective.

''SEC. 206. ACCOUNTABILITY FOR PROGRAMS THAT PREPARE TEACHERS.

''(a) INSTITUTIONAL AND PROGRAM REPORT CARDS ON THE QUALITY OF TEACHER PREPARATION.—

''(1) REPORT CARD.—Each institution of higher education that conducts a traditional teacher preparation program or alternative routes to State certification or licensure program and that enrolls students receiving Federal assistance under this Act shall report annually to the State and the general public, in a uniform and comprehensible manner that conforms with the definitions and methods established by the Secretary, both for traditional teacher preparation programs and alternative routes to State certification or licensure programs, the following information:

''(A) PASS RATES AND SCALED SCORES.—For the most recent year for which the information is available for those students who took the assessments and are enrolled in the traditional teacher preparation program or alternative routes to State certification or licensure program, and for those who have taken the assessments and have completed the traditional teacher preparation program or alternative routes to State certification or licensure program during the 2-year period preceding such year, for each of the assessments used for teacher certification or licensure by the State in which the program is located—

''(i) the percentage of students who have completed 100 percent of the nonclinical coursework and taken the assessment who pass such assessment;

''(ii) the percentage of all such students who passed each such assessment;

''(iii) the percentage of students taking an assessment who completed the teacher preparation program after enrolling in the program, which shall be made available widely and publicly by the State;

''(iv) the average scaled score for all students who took each such assessment;

''(v) a comparison of the program's pass rates with the average pass rates for programs in the State; and

''(vi) a comparison of the program's average scaled scores with the average scaled scores for programs in the State.

''(B) PROGRAM INFORMATION.—The criteria for admission into the program, the number of students in the program (disaggregated by race and gender), the average number of hours of supervised clinical experience required for those in the program, the number of full-time equivalent faculty and students in the supervised clinical experience, and the total number of students who have been certified or licensed as teachers, disaggregated by subject and area of certification or licensure.

''(C) STATEMENT.—In States that require approval or accreditation of teacher preparation programs, a statement of whether the institution's program is so approved or accredited, and by whom.

''(D) DESIGNATION AS LOW-PERFORMING.—Whether the program has been designated as low-performing by the State under section 207(a).

''(E) USE OF TECHNOLOGY.—A description of the activities that prepare teachers to effectively integrate technology into curricula and instruction and effectively use technology to collect, manage, and analyze data in order to improve teaching, learning, and decision making for the purpose of increasing student academic achievement.

''(2) REPORT.—Each eligible partnership receiving a grant under section 203 shall report annually on the progress of the eligible partnership toward meeting the purposes of this part and the objectives and measures described in section 205(b).

''(3) FINES.—The Secretary may impose a fine not to exceed $25,000 on an institution of higher education for failure to provide the information described in this subsection in a timely or accurate manner.

''(4) SPECIAL RULE.—In the case of an institution of higher education that conducts a traditional teacher preparation program or alternative routes to State certification or licensure program and has fewer than 10 scores reported on any single initial teacher certification or licensure assessment during an academic year, the institution shall collect and publish information, as required under paragraph (1)(A), with respect to an average pass rate and scaled score on each State certification or licensure assessment taken over a 3-year period.

''(b) STATE REPORT CARD ON THE QUALITY OF TEACHER PREPARATION.—

''(1) IN GENERAL.—Each State that receives funds under this Act shall provide to the

Secretary, annually, in a uniform and comprehensible manner that conforms with the definitions and methods established by the Secretary, a State report card on the quality of teacher preparation in the State, both for traditional teacher preparation programs and for alternative routes to State certification or licensure programs, which shall include not less than the following:

''(A) A description of reliability and validity of the teacher certification and licensure assessments, and any other certification and licensure requirements, used by the State.

''(B) The standards and criteria that prospective teachers must meet in order to attain initial teacher certification or licensure and to be certified or licensed to teach particular academic subject areas or in particular grades within the State.

''(C) A description of how the assessments and requirements described in subparagraph (A) are aligned with the State's challenging academic content standards required under section 1111(b)(1) of the Elementary and Secondary Education Act of 1965 and State early learning standards for early childhood education programs.

''(D) For each of the assessments used by the State for teacher certification or licensure—

''(i) for each institution of higher education located in the State and each entity located in the State that offers an alternative route for teacher certification or licensure, the percentage of students at such institution or entity who have completed 100 percent of the nonclinical coursework and taken the assessment who pass such assessment;

''(ii) the percentage of all such students at all such institutions taking the assessment who pass such assessment; and

''(iii) the percentage of students taking an assessment who completed the teacher preparation program after enrolling in the program, which shall be made available widely and publicly by the State.

''(E) A description of alternative routes to State certification or licensure in the State (including any such routes operated by entities that are not institutions of higher education), if any, including, for each of the assessments used by the State for teacher certification or licensure—

''(i) the percentage of individuals participating in such routes, or who have completed such routes during the 2-year period preceding the date of the determination, who passed each such assessment; and

''(ii) the average scaled score of individuals participating in such routes, or who have completed such routes during the period preceding the date of the determination, who took each such assessment.

''(F) A description of the State's criteria for assessing the performance of teacher preparation programs within institutions of higher education in the State. Such criteria shall include indicators of the academic content knowledge and teaching skills of students enrolled in such programs.

''(G) For each teacher preparation program in the State, the criteria for admission into the program, the number of students in the program, disaggregated by race and gender (except that such disaggregation shall not be required in a case in which the number of students in a category is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual student), the average number of hours of supervised clinical experience required for those in the program, and the number of full-time equivalent faculty, adjunct faculty, and students in supervised clinical experience.

''(H) For the State as a whole, and for each teacher preparation program in the State, the number of teachers prepared, in the aggregate and reported separately by—

''(i) area of certification or licensure;

''(ii) academic major; and

''(iii) subject area for which the teacher has been prepared to teach.

''(I) Using the data generated under subparagraphs (G) and (H), a description of the extent to which teacher preparation programs are helping to address shortages of highly qualified teachers, by area of certification or licensure, subject, and specialty, in the State's public schools, including those areas described in section 205(a)(5).

''(J) A description of the activities that prepare teachers to effectively integrate technology into curricula and instruction and effectively use technology to collect, manage, and analyze data in order to improve teaching, learning, and decision making for the purpose of increasing student academic achievement.

''(2) PROHIBITION AGAINST CREATING A NATIONAL LIST.—The Secretary shall not create a national list or ranking of States, institutions, or schools using the scaled scores provided under this subsection.

''(c) REPORT OF THE SECRETARY ON THE QUALITY OF TEACHER PREPARATION.—

''(1) REPORT CARD.—The Secretary shall provide to Congress, and publish and make widely available, a report card on teacher qualifications and preparation in the United States, including all the information reported in subparagraphs (A) through (J) of subsection (b)(1). Such report shall identify States for which eligible States and eligible partnerships received a grant under this part. Such report shall be so provided, published, and made available annually.

''(2) REPORT TO CONGRESS.—The Secretary shall prepare and submit a report to Congress that contains the following:

''(A) A comparison of States' efforts to improve the quality of the current and future teaching force.

''(B) A comparison of eligible partnerships' efforts to improve the quality of the current and future teaching force.

''(C) The national mean and median scaled scores and pass rate on any standardized test that is used in more than 1 State for teacher certification or licensure.

''(3) SPECIAL RULE.—In the case of a teacher preparation program with fewer than 10 scores reported on any single initial teacher certification or licensure assessment during an academic year, the Secretary shall collect and publish information, and make publicly available, with respect to an average pass rate and scaled score on each State certification or licensure assessment taken over a 3-year period.

''(d) COORDINATION.—The Secretary, to the extent practicable, shall coordinate the information collected and published under this part among States for individuals who took State teacher certification or licensure assessments in a State other than the State in which the individual received the individual's most recent degree.

"SEC. 207. STATE FUNCTIONS.

''(a) STATE ASSESSMENT.—In order to receive funds under this Act, a State shall have in place a procedure to identify and assist, through the provision of technical assistance, low-performing programs of teacher preparation. Such State shall provide the Secretary an annual list of such low-performing teacher preparation programs that includes an identification of those programs at risk of being placed on such list. Such levels of performance shall be determined solely by the State and may include criteria based on information collected pursuant to this part. Such assessment shall be described in the report under section 206(b).

''(b) TERMINATION OF ELIGIBILITY.—Any program of teacher preparation from which the State has withdrawn the State's approval, or terminated the State's financial support, due to the low performance of the program based upon the State assessment described in subsection (a)—

''(1) shall be ineligible for any funding for professional development activities awarded by the Department;

''(2) shall not be permitted to accept or enroll any student that receives aid under title IV in the institution's teacher preparation program; and

''(3) shall provide transitional support, including remedial services if necessary, for students enrolled at the institution at the time of termination of financial support or withdrawal of approval.

''(c) NEGOTIATED RULEMAKING.—If the Secretary develops any regulations implementing subsection (b)(2), the Secretary shall submit such proposed regulations to a negotiated rulemaking process, which shall include representatives of States, institutions of higher education, and educational and student organizations.

''(d) APPLICATION OF THE REQUIREMENTS.—The requirements of this section shall apply to both traditional teacher preparation programs and alternative routes to State certification and licensure programs.

"SEC. 208. GENERAL PROVISIONS.

''(a) METHODS.—In complying with sections 206 and 207, the Secretary shall ensure that States and institutions of higher education use fair and equitable methods in reporting and that the reporting methods do not allow identification of individuals.

''(b) SPECIAL RULE.—For each State that does not use content assessments as a means of ensuring that all teachers teaching in core academic subjects within the State are highly qualified not later than the end of the 2005–2006 school year, as required under section 1119 of the Elementary and Secondary Education Act of 1965, and that each person employed as a special education teacher in the State who teaches elementary school, middle school, or secondary school is highly qualified by such deadline, as required under section 612(a)(14)(C) of the Individuals with Disabilities Education Act,—

''(1) the Secretary shall, to the extent practicable, collect data comparable to the data required under this part from States, local educational agencies, institutions of higher education, or other entities that administer such assessments to teachers or prospective teachers; and

''(2) notwithstanding any other provision of this part, the Secretary shall use such data to carry out requirements of this part related to assessments, pass rates, and scaled scores.

''(c) LIMITATIONS.—

''(1) FEDERAL CONTROL PROHIBITED.—Nothing in this title shall be construed to permit, allow, encourage, or authorize any Federal control over any aspect of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law. This section shall not be construed to prohibit private, religious, or home schools from participation in programs or services under this title.

''(2) NO CHANGE IN STATE CONTROL ENCOURAGED OR REQUIRED.—Nothing in this title shall be construed to encourage or require any change in a State's treatment of any private, religious, or home school, whether or not a home school is treated as a private school or home school under State law.

''(3) NATIONAL SYSTEM OF TEACHER CERTIFICATION OR LICENSURE PROHIBITED.—Nothing in this title shall be construed to permit, allow, encourage, or authorize the Secretary

to establish or support any national system of teacher certification or licensure.

''(d) RELEASE OF INFORMATION TO TEACHER PREPARATION PROGRAMS.—

''(1) IN GENERAL.—For the purpose of improving teacher preparation programs, a State educational agency shall provide to a teacher preparation program, upon the request of the teacher preparation program, any and all pertinent education-related information that—

''(A) may enable the teacher preparation program to evaluate the effectiveness of the program's graduates or the program itself; and

''(B) is possessed, controlled, or accessible by the State educational agency.

''(2) CONTENT OF INFORMATION.—The information described in paragraph (1)—

''(A) shall include an identification of specific individuals who graduated from the teacher preparation program to enable the teacher preparation program to evaluate the information provided to the program from the State educational agency with the program's own data about the specific courses taken by, and field experiences of, the individual graduates; and

''(B) may include—

''(i) kindergarten through grade 12 academic achievement and demographic data, without revealing personally identifiable information about an individual student, for students who have been taught by graduates of the teacher preparation program; and

''(ii) teacher effectiveness evaluations for teachers who graduated from the teacher preparation program.

''SEC. 209. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be appropriated to carry out this part such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years, of which—

''(1) 50 percent shall be available for each fiscal year to award grants under section 202; and

''(2) 50 percent shall be available for each fiscal year to award grants under section 203.

''(b) SPECIAL RULE.—If the Secretary determines that there is an insufficient number of meritorious applications for grants under section 202 or 203 to justify awarding the full amount described in paragraph (1) or (2) of subsection (a), respectively, the Secretary may, after funding the meritorious applications, use the remaining funds for grants under the other such section.''.

CHAPTER 4—INSTITUTIONAL AID

SEC. 7341. PROGRAM PURPOSE.

Section 311 (20 U.S.C. 1057) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''351'' and inserting ''391''; and

(B) in paragraph (3)(F), by inserting '', including services that will assist in the education of special populations'' before the period; and

(2) in subsection (c)—

(A) in paragraph (6), by inserting '', including innovative, customized, remedial education and English language instruction courses designed to help retain students and move the students rapidly into core courses and through program completion'' before the period;

(B) by redesignating paragraphs (7) through (12) as paragraphs (8) through (13), respectively;

(C) by inserting after paragraph (6) the following:

''(7) Education or counseling services designed to improve the financial literacy and economic literacy of students or the students' parents.''; and

(D) in the matter preceding subparagraph (A) of paragraph (13) (as redesignated by subparagraph (B)), by striking ''subsection (c)'' and inserting ''subsection (b) and section 391''.

SEC. 7342. DEFINITIONS; ELIGIBILITY.

Section 312 (20 U.S.C. 1058) is amended—

(1) in subsection (b)(1)(A), by striking ''subsection (c) of this section'' and inserting ''subsection (d)''; and

(2) in subsection (d)(2), by striking ''subdivision'' and inserting ''paragraph''.

SEC. 7343. AMERICAN INDIAN TRIBALLY CONTROLLED COLLEGES AND UNIVERSITIES.

Section 316 (20 U.S.C. 1059c) is amended—

(1) by striking subsection (b)(3) and inserting the following:

''(3) TRIBAL COLLEGE OR UNIVERSITY.—The term 'Tribal College or University' means an institution that—

''(A) qualifies for funding under the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801 et seq.) or the Navajo Community College Assistance Act of 1978 (25 U.S.C. 640a note); or

''(B) is cited in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note).'';

(2) in subsection (c)(2)—

(A) in subparagraph (B), by inserting before the semicolon at the end the following: ''and the acquisition of real property adjacent to the campus of the institution'';

(B) by redesignating subparagraphs (G), (H), (I), (J), (K), and (L) as subparagraphs (H), (I), (J), (K), (L), and (N), respectively;

(C) by inserting after subparagraph (F) the following:

''(G) education or counseling services designed to improve the financial literacy and economic literacy of students or parents of students;'';

(D) in subparagraph (L) (as redesignated by subparagraph (B)), by striking ''and'' after the semicolon;

(E) by inserting after subparagraph (L) (as redesignated by subparagraph (B)) the following:

''(M) developing or improving facilities for Internet use or other distance learning academic instruction capabilities; and''; and

(F) in subparagraph (N) (as redesignated by subparagraph (B)), by striking ''subparagraphs (A) through (K)'' and inserting ''subparagraphs (A) through (M)''; and

(3) by striking subsection (d) and inserting the following:

''(d) APPLICATION, PLAN, AND ALLOCATION.—

''(1) INSTITUTIONAL ELIGIBILITY.—To be eligible to receive assistance under this section, a Tribal College or University shall be an eligible institution under section 312(b).

''(2) APPLICATION.—

''(A) IN GENERAL.—A Tribal College or University desiring to receive assistance under this section shall submit an application to the Secretary at such time, and in such manner, as the Secretary may reasonably require.

''(B) STREAMLINED PROCESS.—The Secretary shall establish application requirements in such a manner as to simplify and streamline the process for applying for grants.

''(3) ALLOCATIONS TO INSTITUTIONS.—

''(A) CONSTRUCTION GRANTS.—

''(i) IN GENERAL.—Of the amount appropriated to carry out this section for any fiscal year, the Secretary may reserve 30 percent for the purpose of awarding 1-year grants of not less than $1,000,000 to address construction, maintenance, and renovation needs at eligible institutions.

''(ii) PREFERENCE.—In providing grants under clause (i), the Secretary shall give preference to eligible institutions that have not yet received an award under this section.

''(B) ALLOTMENT OF REMAINING FUNDS.—

''(i) IN GENERAL.—Except as provided in clause (ii), the Secretary shall distribute the remaining funds appropriated for any fiscal year to each eligible institution as follows:

''(I) 60 percent of the remaining appropriated funds shall be distributed among the eligible Tribal Colleges and Universities on a pro rata basis, based on the respective Indian student counts (as defined in section 2(a) of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801(a)) of the Tribal Colleges and Universities; and

''(II) the remaining 40 percent shall be distributed in equal shares to the eligible Tribal Colleges and Universities.

''(ii) MINIMUM GRANT.—The amount distributed to a Tribal College or University under clause (i) shall not be less than $500,000.

''(4) SPECIAL RULES.—

''(A) CONCURRENT FUNDING.—For the purposes of this part, no Tribal College or University that is eligible for and receives funds under this section shall concurrently receive funds under other provisions of this part or part B.

''(B) EXEMPTION.—Section 313(d) shall not apply to institutions that are eligible to receive funds under this section.''.

SEC. 7344. ALASKA NATIVE AND NATIVE HAWAIIAN-SERVING INSTITUTIONS.

Section 317(c)(2) (20 U.S.C. 1059d(c)(2)) is amended—

(1) in subparagraph (G), by striking ''and'' after the semicolon;

(2) in subparagraph (H), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(I) education or counseling services designed to improve the financial literacy and economic literacy of students or the students' parents.''.

SEC. 7345. NATIVE AMERICAN-SERVING, NONTRIBAL INSTITUTIONS.

(a) GRANT PROGRAM AUTHORIZED.—Part A of title III (20 U.S.C. 1057 et seq.) is amended by adding at the end the following:

''SEC. 318. NATIVE AMERICAN-SERVING, NONTRIBAL INSTITUTIONS.

''(a) PROGRAM AUTHORIZED.—The Secretary shall provide grants and related assistance to Native American-serving, nontribal institutions to enable such institutions to improve and expand their capacity to serve Native Americans.

''(b) DEFINITIONS.—In this section:

''(1) NATIVE AMERICAN.—The term 'Native American' means an individual who is of a tribe, people, or culture that is indigenous to the United States.

''(2) NATIVE AMERICAN-SERVING, NONTRIBAL INSTITUTION.—The term 'Native American-serving, nontribal institution' means an institution of higher education that, at the time of application—

''(A) has an enrollment of undergraduate students that is not less than 10 percent Native American students; and

''(B) is not a Tribal College or University (as defined in section 316).

''(c) AUTHORIZED ACTIVITIES.—

''(1) TYPES OF ACTIVITIES AUTHORIZED.—Grants awarded under this section shall be used by Native American-serving, nontribal institutions to assist such institutions to plan, develop, undertake, and carry out activities to improve and expand such institutions' capacity to serve Native Americans.

''(2) EXAMPLES OF AUTHORIZED ACTIVITIES.—Such programs may include—

''(A) the purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes;

''(B) renovation and improvement in classroom, library, laboratory, and other instructional facilities;

''(C) support of faculty exchanges, and faculty development and faculty fellowships to

assist faculty in attaining advanced degrees in the faculty's field of instruction;

''(D) curriculum development and academic instruction;

''(E) the purchase of library books, periodicals, microfilm, and other educational materials;

''(F) funds and administrative management, and acquisition of equipment for use in strengthening funds management;

''(G) the joint use of facilities such as laboratories and libraries; and

''(H) academic tutoring and counseling programs and student support services.

''(d) APPLICATION PROCESS.—

''(1) INSTITUTIONAL ELIGIBILITY.—A Native American-serving, nontribal institution desiring to receive assistance under this section shall submit to the Secretary such enrollment data as may be necessary to demonstrate that the institution is a Native American-serving, nontribal institution, along with such other information and data as the Secretary may by regulation require.

''(2) APPLICATIONS.—

''(A) PERMISSION TO SUBMIT APPLICATIONS.—Any institution that is determined by the Secretary to be a Native American-serving, nontribal institution may submit an application for assistance under this section to the Secretary.

''(B) SIMPLIFIED AND STREAMLINED FORMAT.—The Secretary shall, to the extent possible, prescribe a simplified and streamlined format for applications under this section that takes into account the limited number of institutions that are eligible for assistance under this section.

''(C) CONTENT.—An application submitted under subparagraph (A) shall include—

''(i) a 5-year plan for improving the assistance provided by the Native American-serving, nontribal institution to Native Americans; and

''(ii) such other information and assurances as the Secretary may require.

''(3) SPECIAL RULES.—

''(A) ELIGIBILITY.—No Native American-serving, nontribal institution that receives funds under this section shall concurrently receive funds under other provisions of this part or part B.

''(B) EXEMPTION.—Section 313(d) shall not apply to institutions that are eligible to receive funds under this section.

''(C) DISTRIBUTION.—In awarding grants under this section, the Secretary shall, to the extent possible and consistent with the competitive process under which such grants are awarded, ensure maximum and equitable distribution among all eligible institutions.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 399 (20 U.S.C. 1068h) is amended by adding at the end the following:

''(c) MINIMUM GRANT AMOUNT.—The minimum amount of a grant under this title shall be $200,000.''.

SEC. 7346. PART B DEFINITIONS.

Section 322(4) (20 U.S.C. 1061(4)) is amended by inserting '', in consultation with the Commissioner for Education Statistics'' before ''and the Commissioner''.

SEC. 7347. GRANTS TO INSTITUTIONS.

Section 323(a) (20 U.S.C. 1062(a)) is amended—

(1) in the matter preceding paragraph (1), by striking ''360(a)(2)'' and inserting ''399(a)(2)'';

(2) by redesignating paragraphs (7) through (12) as paragraphs (8) through (13), respectively; and

(3) by inserting after paragraph (6) the following:

''(7) Education or counseling services designed to improve the financial literacy and economic literacy of students or the students' parents.''.

SEC. 7348. ALLOTMENTS TO INSTITUTIONS.

Section 324 (20 U.S.C. 1063) is amended by adding at the end the following:

''(h) SPECIAL RULE ON ELIGIBILITY.—Notwithstanding any other provision of this section, a part B institution shall not receive an allotment under this section unless the part B institution provides, on an annual basis, data indicating that the part B institution—

''(1) enrolled Federal Pell Grant recipients in the preceding academic year;

''(2) in the preceding academic year, has graduated students from a program of academic study that is licensed or accredited by a nationally recognized accrediting agency or association recognized by the Secretary pursuant to part H of title IV where appropriate; and

''(3) where appropriate, has graduated students who, within the past 5 years, enrolled in graduate or professional school.''.

SEC. 7349. PROFESSIONAL OR GRADUATE INSTITUTIONS.

Section 326 (20 U.S.C. 1063b) is amended—

(1) in subsection (c)—

(A) in paragraph (2), by inserting '', and for the acquisition and development of real property that is adjacent to the campus for such construction, maintenance, renovation, or improvement'' after ''services'';

(B) by redesignating paragraphs (5) through (7) as paragraphs (7) through (9), respectively;

(C) by inserting after paragraph (4) the following:

''(5) tutoring, counseling, and student service programs designed to improve academic success;

''(6) education or counseling services designed to improve the financial literacy and economic literacy of students or the students' parents;'';

(D) in paragraph (7) (as redesignated by subparagraph (B)), by striking ''establish or improve'' and inserting ''establishing or improving'';

(E) in paragraph (8) (as redesignated by subparagraph (B))—

(i) by striking ''assist'' and inserting ''assisting''; and

(ii) by striking ''and'' after the semicolon;

(F) in paragraph (9) (as redesignated by subparagraph (B)), by striking the period and inserting ''; and''; and

(G) by adding at the end the following:

''(10) other activities proposed in the application submitted under subsection (d) that—

''(A) contribute to carrying out the purposes of this part; and

''(B) are approved by the Secretary as part of the review and acceptance of such application.'';

(2) in subsection (e)—

(A) in paragraph (1)—

(i) by inserting a colon after ''the following'';

(ii) in subparagraph (Q), by striking ''and'' at the end;

(iii) in subparagraph (R), by striking the period and inserting a semicolon; and

(iv) by adding at the end the following:

''(S) Alabama State University qualified graduate program;

''(T) Coppin State University qualified graduate program; and

''(U) Prairie View A & M University qualified graduate program.'';

(B) in paragraph (2), by inserting ''in law or'' after ''instruction''; and

(C) in paragraph (3)—

(i) by striking ''1998'' and inserting ''2006''; and

(ii) by striking ''(Q) and (R)'' and inserting ''(S), (T), and (U)'';

(3) in subsection (f)—

(A) in paragraph (1), by striking ''(P)'' and inserting ''(R)''; and

(B) in paragraph (3)—

(i) by striking subparagraphs (A) and (B) and inserting the following:

''(A) The amount of non-Federal funds for the fiscal year for which the determination is made that the institution or program listed in subsection (e)—

''(i) allocates from institutional resources;

''(ii) secures from non-Federal sources, including amounts appropriated by the State and amounts from the private sector; and

''(iii) will utilize to match Federal funds awarded for the fiscal year for which the determination is made under this section to the institution or program.

''(B) The number of students enrolled in the qualified graduate programs of the eligible institution or program, for which the institution or program received and allocated funding under this section in the preceding year.'';

(ii) in subparagraph (C), by striking ''(or the equivalent) enrolled in the eligible professional or graduate school'' and all that follows through the period and inserting ''enrolled in the qualified programs or institutions listed in paragraph (1).'';

(iii) in subparagraph (D)—

(I) by striking ''students'' and inserting ''Black American students or minority students''; and

(II) by striking ''institution'' and inserting ''institution or program''; and

(iv) by striking subparagraph (E) and inserting the following:

''(E) The percentage that the total number of Black American students and minority students who receive their first professional, master's, or doctoral degrees from the institution or program in the academic year preceding the academic year for which the determination is made, represents of the total number of Black American students and minority students in the United States who receive their first professional, master's, or doctoral degrees in the professions or disciplines related to the course of study at such institution or program, respectively, in the preceding academic year.''; and

(4) in subsection (g), by striking ''1998'' and inserting ''2006''.

SEC. 7350. AUTHORIZATION OF APPROPRIATIONS.

Subsection (a) of section 399 (20 U.S.C. 1068h) is amended to read as follows:

''(a) AUTHORIZATIONS.—

''(1) PART A.—(A) There are authorized to be appropriated to carry out part A (other than section 316) such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

''(B) There are authorized to be appropriated to carry out section 316 such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

''(C) There are authorized to be appropriated to carry out section 317 such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

''(D) There are authorized to be appropriated to carry out section 318 such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

''(2) PART B.—(A) There are authorized to be appropriated to carry out part B (other than section 326) such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

''(B) There are authorized to be appropriated to carry out section 326 such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

''(3) PART C.—There are authorized to be appropriated to carry out part C such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

''(4) PART D.—(A) There are authorized to be appropriated to carry out part D (other than section 345(7), but including section 347)

such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

''(B) There are authorized to be appropriated to carry out section 345(7) such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

''(5) PART E.—There are authorized to be appropriated to carry out part E such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''.

SEC. 7351. TECHNICAL CORRECTIONS.

Title III (20 U.S.C. 1051 et seq.) is further amended—

(1) in section 342(5)(C) (20 U.S.C. 1066a(5)(C)), by striking ''.,'' and inserting ''.'';

(2) in section 343(e) (20 U.S.C. 1066b(e)), by inserting ''SALE OF QUALIFIED BONDS.—'' before ''Notwithstanding'';

(3) in the matter preceding clause (i) of section 365(9)(A) (20 U.S.C. 1067k(9)(A)), by striking ''support'' and inserting ''supports'';

(4) in section 391(b)(7)(E) (20 U.S.C. 1068(b)(7)(E)), by striking ''subparagraph (E)'' and inserting ''subparagraph (D)'';

(5) in the matter preceding subparagraph (A) of section 392(b)(2) (20 U.S.C. 1068a(b)(2)), by striking ''eligible institutions under part A institutions'' and inserting ''eligible institutions under part A''; and

(6) in the matter preceding paragraph (1) of section 396 (20 U.S.C. 1068e), by striking ''360'' and inserting ''399''.

CHAPTER 5—STUDENT ASSISTANCE

Subchapter A—Grants to Students in Attendance at Institutions of Higher Education

SEC. 7361. FEDERAL PELL GRANTS.

Section 401 (20 U.S.C. 1070a) is amended—

(1) in subsection (a)(1)—

(A) in the first sentence, by striking ''2004'' and inserting ''2012''; and

(B) in the second sentence, by striking ''.,'' and inserting ''.'';

(2) in subsection (b)—

(A) by striking paragraph (2)(A) and inserting the following:

''(2)(A) the amount of the Federal Pell Grant for a student eligible under this part shall be—

''(i) $5,100 for academic year 2006–2007;

''(ii) $5,400 for academic year 2007–2008;

''(iii) $5,700 for academic year 2008–2009;

''(iv) $6,000 for academic year 2009–2010; and

''(v) $6,300 for academic year 2010–2011,

less an amount equal to the amount determined to be the expected family contribution with respect to that student for that year.'';

(B) by striking paragraph (3);

(C) by redesignating paragraphs (4) through (8) as paragraphs (3) through (7), respectively;

(D) in paragraph (4) (as redesignated by subparagraph (C)), by striking ''$400, except'' and all that follows through the period and inserting ''10 percent of the maximum basic grant level specified in the appropriate Appropriation Act for such academic year, except that a student who is eligible for a Federal Pell Grant in an amount that is equal to or greater than 5 percent of such level but less than 10 percent of such level shall be awarded a Federal Pell grant in the amount of 10 percent of such level.''; and

(E) by striking paragraph (5) (as redesignated by subparagraph (C)) and inserting the following:

''(5) In the case of a student who is enrolled, on at least a half-time basis and for a period of more than 1 academic year in a 2-year or 4-year program of instruction for which an institution of higher education awards an associate or baccalaureate degree, the Secretary shall allow such student to receive not more than 2 Federal Pell Grants during a single award year to permit such student to accelerate the student's progress toward a degree by attending additional sessions. In the case of a student receiving more than 1 Federal Pell Grant in a single award year, the total amount of Federal Pell Grants awarded to such student for the award year may exceed the maximum basic grant level specified in the appropriate Appropriation Act for such award year.''; and

(3) in subsection (c), by adding at the end the following:

''(5) The period of time during which a student may receive Federal Pell Grants shall not exceed 18 semesters, or an equivalent period of time as determined by the Secretary pursuant to regulations, which period shall—

''(A) be determined without regard to whether the student is enrolled on a full-time basis during any portion of the period of time; and

''(B) include any period of time for which the student received a Federal Pell Grant prior to the date of enactment of the Higher Education Amendments of 2005.''.

SEC. 7362. FEDERAL TRIO PROGRAMS.

(a) PROGRAM AUTHORITY; AUTHORIZATION OF APPROPRIATIONS.—Section 402A (20 U.S.C. 1070a–11) is amended—

(1) in subsection (b)—

(A) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking ''4'' and inserting ''5'';

(ii) by striking subparagraph (A); and

(iii) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(B) by striking paragraph (3) and inserting the following:

''(3) MINIMUM GRANTS.—Unless the institution or agency requests a smaller amount, an individual grant authorized under this chapter shall be awarded in an amount that is not less than $200,000, except that an individual grant authorized under section 402G shall be awarded in an amount that is not less than $170,000.'';

(2) in subsection (c)—

(A) in paragraph (2), by striking ''service delivery'' and inserting ''high quality service delivery, as determined under subsection (f),'';

(B) in paragraph (3)(B), by striking ''is not required to'' and inserting ''shall not''; and

(C) in paragraph (5), by striking ''campuses'' and inserting ''different campuses'';

(3) in subsection (e), by striking ''(g)(2)'' each place the term occurs and inserting ''(h)(4)'';

(4) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(5) by inserting after subsection (e) the following:

''(f) OUTCOME CRITERIA.—

''(1) IN GENERAL.—The Secretary, by regulation, shall establish outcome criteria for measuring, annually and for longer periods, the quality and effectiveness of programs authorized under this chapter.

''(2) USE FOR PRIOR EXPERIENCE DETERMINATION.—The outcome criteria under paragraph (1) shall be used to evaluate the programs provided by a recipient of a grant under this chapter, and the Secretary shall determine an eligible entity's prior experience of high quality service delivery, as required in subsection (c)(2), based on the outcome criteria.

''(3) CONSIDERATION OF RELEVANT DATA.—The outcome criteria under this subsection shall take into account data pertaining to secondary school completion, postsecondary education enrollment, and postsecondary education completion for low-income students, first generation college students, and individuals with disabilities, in the schools and institutions of higher education served by the program to be evaluated.

''(4) CONTENTS OF OUTCOME CRITERIA.—The outcome criteria shall include the following:

''(A) For programs authorized under section 402B, whether the eligible entity met or exceeded the entity's objectives established in the entity's application for such program regarding—

''(i) the delivery of service to a total number of students served by the program;

''(ii) the continued secondary school enrollment of such students;

''(iii) the graduation of such students from secondary school; and

''(iv) the enrollment of such students in an institution of higher education.

''(B) For programs authorized under section 402C, whether the eligible entity met or exceeded its objectives for such program regarding—

''(i) the delivery of service to a total number of students served by the program, as agreed upon by the entity and the Secretary for the period;

''(ii) such students' school performance, as measured by the grade point average, or its equivalent;

''(iii) such students' academic performance, as measured by standardized tests, including tests required by the students' State;

''(iv) the retention in, and graduation from, secondary school of such students; and

''(v) the enrollment of such students in an institution of higher education.

''(C) For programs authorized under section 402D—

''(i) whether the eligible entity met or exceeded the entity's objectives regarding the retention in postsecondary education of the students served by the program;

''(ii)(I) in the case of an entity that is an institution of higher education offering a baccalaureate degree, the extent to which the entity met or exceeded the entity's objectives regarding such students' completion of the degree programs in which such students were enrolled; or

''(II) in the case of an entity that is an institution of higher education that does not offer a baccalaureate degree, the extent to which the entity met or exceeded the entity's objectives regarding—

''(aa) the completion of a degree or certificate by such students; and

''(bb) the transfer of such students to institutions of higher education that offer baccalaureate degrees;

''(iii) whether the entity met or exceeded the entity's objectives regarding the delivery of service to a total number of students, as agreed upon by the entity and the Secretary for the period; and

''(iv) whether the applicant met or exceeded the entity's objectives regarding such students remaining in good academic standing.

''(D) For programs authorized under section 402E, whether the entity met or exceeded the entity's objectives for such program regarding—

''(i) the delivery of service to a total number of students, as agreed upon by the entity and the Secretary for the period;

''(ii) the provision of appropriate scholarly and research activities for the students served by the program;

''(iii) the acceptance and enrollment of such students in graduate programs; and

''(iv) the attainment of doctoral degrees by former program participants.

''(E) For programs authorized under section 402F, whether the entity met or exceeded the entity's objectives for such program regarding—

''(i) the enrollment of students without a secondary school diploma or its recognized equivalent, who were served by the program, in programs leading to such diploma or equivalent;

''(ii) the enrollment of secondary school graduates who were served by the program in programs of postsecondary education;

''(iii) the delivery of service to a total number of students, as agreed upon by the entity and the Secretary for the period; and

''(iv) the provision of assistance to students served by the program in completing financial aid applications and college admission applications.'';

(6) in subsection (g) (as redesignated by paragraph (4))—

(A) in the first sentence, by striking ''$700,000,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''; and

(B) by striking the fourth sentence; and

(7) in subsection (h) (as redesignated by paragraph (4))—

(A) by redesignating paragraphs (1) through (4) as paragraphs (3) through (6), respectively;

(B) by inserting before paragraph (3) (as redesignated by subparagraph (A)) the following:

''(1) DIFFERENT CAMPUS.—The term 'different campus' means a site of an institution of higher education that—

''(A) is geographically apart from the main campus of the institution;

''(B) is permanent in nature; and

''(C) offers courses in educational programs leading to a degree, certificate, or other recognized educational credential.

''(2) DIFFERENT POPULATION.—The term 'different population' means a group of individuals, with respect to whom an eligible entity desires to serve through an application for a grant under this chapter, that—

''(A) is separate and distinct from any other population that the entity has applied for a grant under this chapter to serve; or

''(B) while sharing some of the same needs as another population that the eligible entity has applied for a grant under this chapter to serve, has distinct needs for specialized services.'';

(C) in paragraph (5) (as redesignated by subparagraph (A))—

(i) in subparagraph (A), by striking ''or'' after the semicolon;

(ii) in subparagraph (B), by striking the period at the end and inserting ''; or''; and

(iii) by adding at the end the following:

''(C) was a member of a reserve component of the Armed Forces called to active duty for a period of more than 180 days.''; and

(D) in paragraph (6), by striking ''subparagraph (A) or (B) of paragraph (3)'' and inserting ''subparagraph (A), (B), or (C) of paragraph (5)''.

(b) TALENT SEARCH.—Section 402B (20 U.S.C. 1070a–12) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''to identify qualified youths with potential for education at the postsecondary level and to encourage such youths'' and inserting ''to encourage eligible youths'';

(B) in paragraph (2), by inserting '', and facilitate the application for,'' after ''the availability of''; and

(C) in paragraph (3), by striking '', but who have the ability to complete such programs, to reenter'' and inserting ''to enter or reenter, and complete'';

(2) by redesignating subsection (c) as subsection (d);

(3) by striking subsection (b) and inserting the following:

''(b) REQUIRED SERVICES.—Any project assisted under this section shall provide—

''(1) academic tutoring, or connections to high quality academic tutoring services, to enable students to complete secondary or postsecondary courses, which may include instruction in reading, writing, study skills, mathematics, science, and other subjects;

''(2) advice and assistance in secondary course selection and, if applicable, initial postsecondary course selection;

''(3) assistance in preparing for college entrance examinations and completing college admission applications;

''(4)(A) information on both the full range of Federal student financial aid programs (including Federal Pell Grant awards and loan forgiveness) and resources for locating public and private scholarships; and

''(B) assistance in completing financial aid applications, including the Free Application for Federal Student Aid described in section 483(a);

''(5) guidance on and assistance in—

''(A) secondary school reentry;

''(B) alternative education programs for secondary school dropouts that lead to the receipt of a regular secondary school diploma;

''(C) entry into general educational development (GED) programs; or

''(D) postsecondary education; and

''(6) education or counseling services designed to improve the financial literacy and economic literacy of students or their parents, including financial planning for postsecondary education.

''(c) PERMISSIBLE SERVICES.—Any project assisted under this section may provide services such as—

''(1) personal and career counseling or activities;

''(2) information and activities designed to acquaint youths with the range of career options available to the youths;

''(3) exposure to the campuses of institutions of higher education, as well as cultural events, academic programs, and other sites or activities not usually available to disadvantaged youth;

''(4) workshops and counseling for families of students served;

''(5) mentoring programs involving elementary or secondary school teachers or counselors, faculty members at institutions of higher education, students, or any combination of such persons; and

''(6) programs and activities as described in subsection (b) or paragraphs (1) through (5) of this subsection that are specially designed for students who are limited English proficient, students with disabilities, students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)), or students who are in foster care or are aging out of the foster care system.''; and

(4) in the matter preceding paragraph (1) of subsection (d) (as redesignated by paragraph (2)), by striking ''talent search projects under this chapter'' and inserting ''projects under this section''.

(c) UPWARD BOUND.—Section 402C (20 U.S.C. 1070a–13) is amended—

(1) by striking subsection (b) and inserting the following:

''(b) REQUIRED SERVICES.—Any project assisted under this section shall provide—

''(1) academic tutoring to enable students to complete secondary or postsecondary courses, which may include instruction in reading, writing, study skills, mathematics, science, and other subjects;

''(2) advice and assistance in secondary and postsecondary course selection;

''(3) assistance in preparing for college entrance examinations and completing college admission applications;

''(4)(A) information on both the full range of Federal student financial aid programs (including Federal Pell Grant awards and loan forgiveness) and resources for locating public and private scholarships; and

''(B) assistance in completing financial aid applications, including the Free Application for Federal Student Aid described in section 483(a);

''(5) guidance on and assistance in—

''(A) secondary school reentry;

''(B) alternative education programs for secondary school dropouts that lead to the receipt of a regular secondary school diploma;

''(C) entry into general educational development (GED) programs; or

''(D) postsecondary education; and

''(6) education or counseling services designed to improve the financial literacy and economic literacy of students, including financial planning for postsecondary education.'';

(2) in subsection (c)—

(A) in the subsection heading, by striking ''REQUIRED SERVICES'' and inserting ''ADDITIONAL REQUIRED SERVICES FOR MULTIPLE-YEAR GRANT RECIPIENTS''; and

(B) by striking ''upward bound project assisted under this chapter'' and inserting ''project assisted under this section'';

(3) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively;

(4) by inserting after subsection (c) the following:

''(d) PERMISSIBLE SERVICES.—Any project assisted under this section may provide such services as—

''(1) exposure to cultural events, academic programs, and other activities not usually available to disadvantaged youth;

''(2) information, activities and instruction designed to acquaint youths participating in the project with the range of career options available to the youths;

''(3) on-campus residential programs;

''(4) mentoring programs involving elementary school or secondary school teachers or counselors, faculty members at institutions of higher education, students, or any combination of such persons;

''(5) work-study positions where youth participating in the project are exposed to careers requiring a postsecondary degree;

''(6) special services to enable veterans to make the transition to postsecondary education; and

''(7) programs and activities as described in subsection (b), subsection (c), or paragraphs (1) through (6) of this subsection that are specially designed for students who are limited English proficient, students with disabilities, students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)), or students who are in foster care or are aging out of the foster care system.'';

(5) in the matter preceding paragraph (1) of subsection (e) (as redesignated by paragraph (3)), by striking ''upward bound projects under this chapter'' and inserting ''projects under this section''; and

(6) in subsection (f) (as redesignated by paragraph (3))—

(A) by striking ''during June, July, and August'' each place the term occurs and inserting ''during the summer school recess, for a period not to exceed 3 months''; and

(B) by striking ''(b)(10)'' and inserting ''(d)(5)''.

(d) STUDENT SUPPORT SERVICES.—Section 402D (20 U.S.C. 1070a–14) is amended—

(1) in subsection (a)—

(A) in paragraph (2), by striking ''and'' after the semicolon;

(B) by striking paragraph (3) and inserting the following:

''(3) to foster an institutional climate supportive of the success of low-income and first generation college students, students with disabilities, students who are limited English proficient, students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento

Homeless Assistance Act (42 U.S.C. 11434a)), and students who are in foster care or are aging out of the foster care system.''; and

(C) by adding at the end the following:

''(4) to improve the financial literacy and economic literacy of students, including—

''(A) basic personal income, household money management, and financial planning skills; and

''(B) basic economic decisionmaking skills.'';

(2) by redesignating subsections (c) and (d) as subsections (d) and (e);

(3) by striking subsection (b) and inserting the following:

''(b) REQUIRED SERVICES.—A project assisted under this section shall provide—

''(1) academic tutoring to enable students to complete postsecondary courses, which may include instruction in reading, writing, study skills, mathematics, science, and other subjects;

''(2) advice and assistance in postsecondary course selection;

''(3)(A) information on both the full range of Federal student financial aid programs (including Federal Pell Grant awards and loan forgiveness) and resources for locating public and private scholarships; and

''(B) assistance in completing financial aid applications, including the Free Application for Federal Student Aid described in section 483(a);

''(4) education or counseling services designed to improve the financial literacy and economic literacy of students, including financial planning for postsecondary education;

''(5) activities designed to assist students participating in the project in securing college admission and financial assistance for enrollment in graduate and professional programs; and

''(6) activities designed to assist students enrolled in 2-year institutions of higher education in securing admission and financial assistance for enrollment in a 4-year program of postsecondary education.

''(c) PERMISSIBLE SERVICES.—A project assisted under this section may provide services such as—

''(1) consistent, individualized personal, career, and academic counseling, provided by assigned counselors;

''(2) information, activities, and instruction designed to acquaint youths participating in the project with the range of career options available to the students;

''(3) exposure to cultural events and academic programs not usually available to disadvantaged students;

''(4) activities designed to acquaint students participating in the project with the range of career options available to the students;

''(5) mentoring programs involving faculty or upper class students, or a combination thereof;

''(6) securing temporary housing during breaks in the academic year for students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)) or were formerly homeless children and youths and students who are in foster care or are aging out of the foster care system; and

''(7) programs and activities as described in subsection (b) or paragraphs (1) through (5) of this subsection that are specially designed for students who are limited English proficient, students with disabilities, students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)) or were formerly homeless children and youths, or students who are in foster care or are aging out of the foster care system.'';

(4) in subsection (d)(1) (as redesignated by paragraph (2)), by striking ''subsection (b)'' and inserting ''subsection (c)''; and

(5) in the matter preceding paragraph (1) of subsection (e) (as redesignated by paragraph (2)), by striking ''student support services projects under this chapter'' and inserting ''projects under this section''.

(e) POSTBACCALAUREATE ACHIEVEMENT PROGRAM AUTHORITY.—Section 402E (20 U.S.C. 1070a–15) is amended—

(1) in subsection (b)—

(A) in the subsection heading, by inserting ''REQUIRED'' before ''SERVICES'';

(B) in the matter preceding paragraph (1), by striking ''A postbaccalaureate achievement project assisted under this section may provide services such as—'' and inserting ''A project assisted under this section shall provide—'';

(C) in paragraph (5), by inserting ''and'' after the semicolon;

(D) in paragraph (6), by striking the semicolon and inserting a period; and

(E) by striking paragraphs (7) and (8);

(2) by redesignating subsections (c) through (f) as subsections (d) through (g), respectively;

(3) by inserting after subsection (b) the following:

''(c) PERMISSIBLE SERVICES.—A project assisted under this section may provide services such as—

''(1) education or counseling services designed to improve the financial literacy and economic literacy of students or their parents, including financial planning for postsecondary education;

''(2) mentoring programs involving faculty members at institutions of higher education, students, or any combination of such persons; and

''(3) exposure to cultural events and academic programs not usually available to disadvantaged students.'';

(4) in the matter preceding paragraph (1) of subsection (d) (as redesignated by paragraph (2)), by striking ''postbaccalaureate achievement'';

(5) in the matter preceding paragraph (1) of subsection (f) (as redesignated by paragraph (2)), by striking ''postbaccalaureate achievement project'' and inserting ''project under this section''; and

(6) in subsection (g) (as redesignated by paragraph (2))—

(A) by striking ''402A(f)'' and inserting ''402A(g)''; and

(B) by striking ''1993 through 1997'' and inserting ''2006 through 2010''.

(f) EDUCATIONAL OPPORTUNITY CENTERS.—Section 402F (20 U.S.C. 1070a–16) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''and'' after the semicolon;

(B) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(3) to improve the financial literacy and economic literacy of students, including—

''(A) basic personal income, household money management, and financial planning skills; and

''(B) basic economic decisionmaking skills.''; and

(2) in subsection (b)—

(A) by redesignating paragraphs (5) through (10) as paragraphs (6) through (11), respectively;

(B) by inserting after paragraph (4) the following:

''(5) education or counseling services designed to improve the financial literacy and economic literacy of students;'';

(C) by striking paragraph (7) (as redesignated by subparagraph (A)) and inserting the following:

''(7) individualized personal, career, and academic counseling;''; and

(D) by striking paragraph (11) (as redesignated by subparagraph (A)) and inserting the following:

''(11) programs and activities as described in paragraphs (1) through (10) that are specially designed for students who are limited English proficient, students with disabilities, or students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)), or programs and activities for students who are in foster care or are aging out of the foster care system.''.

(g) STAFF DEVELOPMENT ACTIVITIES.—Section 402G(b)(3) (20 U.S.C. 1070a–17(b)(3)) is amended by inserting '', including strategies for recruiting and serving students who are homeless children and youths (as such term is defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a)) and students who are in foster care or are aging out of the foster care system'' before the period at the end.

(h) REPORTS, EVALUATIONS, AND GRANTS FOR PROJECT IMPROVEMENT AND DISSEMINATION.—Section 402H (20 U.S.C. 1070a–18) is amended—

(1) by striking the section heading and inserting ''**REPORTS, EVALUATIONS, AND GRANTS FOR PROJECT IMPROVEMENT AND DISSEMINATION.**'';

(2) by redesignating subsections (a) through (c) as subsections (b) through (d), respectively; and

(3) by inserting before subsection (b) (as redesignated by paragraph (2)) the following:

''(a) REPORT TO CONGRESS.—At least once every 2-year period, the Secretary shall prepare and submit to Congress a report on the outcomes achieved by the programs authorized under this chapter. Such report shall include a statement for the preceding fiscal year specifying—

''(1) the number of grants awarded during each fiscal year, and the number of individuals served by the programs carried out under such grants;

''(2) the number of entities that received grants during the fiscal year, including the number of entities that—

''(A) received a grant to carry out a program under this chapter for the fiscal year; and

''(B) had not received funding for that particular program during the previous grant cycle;

''(3) a comparison of the number and percentage of grant awards made to entities described in paragraph (2), with the number of such entities funded through discretionary grant competitions conducted by the Secretary under this chapter in the 3 grant cycles preceding the fiscal year;

''(4) information on the number of individuals served in each program authorized under this chapter; and

''(5) information on the outcomes achieved by each program authorized under this chapter, including the outcome criteria described in section 402A(f) for each program.''.

SEC. 7363. GAINING EARLY AWARENESS AND READINESS FOR UNDERGRADUATE PROGRAMS.

(a) EARLY INTERVENTION AND COLLEGE AWARENESS PROGRAM AUTHORIZED.—Section 404A (20 U.S.C. 1070a–21) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) PROGRAM AUTHORIZED.—The Secretary is authorized, in accordance with the requirements of this chapter, to establish a program that encourages eligible entities to

provide support to eligible low-income students to assist the students in obtaining a secondary school diploma (or its recognized equivalent) and to prepare for and succeed in postsecondary education, by providing—

''(1) financial assistance, academic support, additional counseling, mentoring, outreach, and supportive services to middle school and secondary school students to reduce—

''(A) the risk of such students dropping out of school; or

''(B) the need for remedial education for such students at the postsecondary level; and

''(2) information to students and their parents about the advantages of obtaining a postsecondary education and the college financing options for the students and their parents.'';

(2) by striking subsection (b)(2)(A) and inserting the following:

''(A) give priority to eligible entities that have a prior, demonstrated commitment to early intervention leading to college access through collaboration and replication of successful strategies;''; and

(3) by striking subsection (c)(2) and inserting the following:

''(2) a partnership—

''(A) consisting of—

''(i) 1 or more local educational agencies; and

''(ii) 1 or more degree granting institutions of higher education; and

''(B) which may include not less than 2 other community organizations or entities, such as businesses, professional organizations, State agencies, institutions or agencies sponsoring programs authorized under subpart 4, or other public or private agencies or organizations.''.

(b) REQUIREMENTS.—Section 404B (20 U.S.C. 1070a–22) is amended—

(1) by striking subsection (a) and inserting the following:—

''(a) FUNDING RULES.—

''(1) DISTRIBUTION.—In awarding grants from the amount appropriated under section 404G for a fiscal year, the Secretary shall take into consideration—

''(A) the geographic distribution of such awards; and

''(B) the distribution of such awards between urban and rural applicants.

''(2) SPECIAL RULE.—The Secretary shall annually reevaluate the distribution of funds described in paragraph (1) based on number, quality, and promise of the applications.'';

(2) by striking subsections (b), (e), and (f);

(3) by redesignating subsections (c), (d), and (g) as subsections (b), (c), and (d), respectively; and

(4) by adding at the end the following:

''(e) SUPPLEMENT, NOT SUPPLANT.—Grant funds awarded under this chapter shall be used to supplement, and not supplant, other Federal, State, and local funds that would otherwise be expended to carry out activities assisted under this chapter.''.

(c) APPLICATION.—Section 404C (20 U.S.C. 1070a–23) is amended—

(1) in the section heading, by striking ''**ELIGIBLE ENTITY PLANS**'' and inserting ''**APPLICATIONS**'';

(2) in subsection (a)—

(A) in the subsection heading, by striking ''PLAN'' and inserting ''APPLICATION'';

(B) in paragraph (1)—

(i) by striking ''a plan'' and inserting ''an application''; and

(ii) by striking the second sentence; and

(C) by striking paragraph (2) and inserting the following:

''(2) CONTENTS.—Each application submitted pursuant to paragraph (1) shall be in such form, contain or be accompanied by such information or assurances, and be submitted at such time as the Secretary may require. Each such application shall, at a minimum—

''(A) describe the activities for which assistance under this chapter is sought, including how the eligible entity will carry out the required activities described in section 404D(a);

''(B) describe how the eligible agency will meet the requirements of section 404E;

''(C) provide assurances that adequate administrative and support staff will be responsible for coordinating the activities described in section 404D;

''(D) ensure that activities assisted under this chapter will not displace an employee or eliminate a position at a school assisted under this chapter, including a partial displacement such as a reduction in hours, wages or employment benefits;

''(E) describe, in the case of an eligible entity described in section 404A(c)(2), how the eligible entity will define the cohorts of the students served by the eligible entity pursuant to section 404B(d), and how the eligible entity will serve the cohort through grade 12, including—

''(i) how vacancies in the program under this chapter will be filled; and

''(ii) how the eligible entity will serve students attending different secondary schools;

''(F) describe how the eligible entity will coordinate programs with other existing Federal, State, or local programs to avoid duplication and maximize the number of students served;

''(G) provide such additional assurances as the Secretary determines necessary to ensure compliance with the requirements of this chapter; and

''(H) provide information about the activities that will be carried out by the eligible entity to support systemic changes from which future cohorts of students will benefit.'';

(3) in the matter preceding subparagraph (A) of subsection (b)(1)—

(A) by striking ''a plan'' and inserting ''an application''; and

(B) by striking ''such plan'' and inserting ''such application''; and

(4) in subsection (c)(1), by striking the semicolon at the end and inserting ''including—

''(A) the amount contributed to a student scholarship fund established under section 404E; and

''(B) the amount of the costs of administering the scholarship program under section 404E;''.

(d) ACTIVITIES.—Section 404D (20 U.S.C. 1070a–24) is amended to read as follows:

''SEC. 404D. ACTIVITIES.

''(a) REQUIRED ACTIVITIES.—Each eligible entity receiving a grant under this chapter shall carry out the following:

''(1) Provide information regarding financial aid for postsecondary education to participating students in the cohort described in subsection 404B(d)(1)(A).

''(2) Encourage student enrollment in rigorous and challenging curricula and coursework, in order to reduce the need for remedial coursework at the postsecondary level.

''(3) Support activities designed to improve the number of participating students who—

''(A) obtain a secondary school diploma; and

''(B) complete applications for and enroll in a program of postsecondary education.

''(4) In the case of an eligible entity described in section 404A(c)(1), provide for the scholarships described in section 404E.

''(b) OPTIONAL ACTIVITIES FOR STATES AND PARTNERSHIPS.—An eligible entity that receives a grant under this chapter may use grant funds to carry out 1 or more of the following activities:

''(1) Providing tutoring and supporting mentors, including adults or former participants of a program under this chapter, for eligible students.

''(2) Conducting outreach activities to recruit priority students described in subsection (d) to participate in program activities.

''(3) Providing supportive services to eligible students.

''(4) Supporting the development or implementation of rigorous academic curricula, which may include college preparatory, Advanced Placement, or International Baccalaureate programs, and providing participating students access to rigorous core courses that reflect challenging State academic standards.

''(5) Supporting dual or concurrent enrollment programs between the secondary school and institution of higher education partners of an eligible entity described in section 404A(c)(2), and other activities that support participating students in—

''(A) meeting challenging academic standards;

''(B) successfully applying for postsecondary education;

''(C) successfully applying for student financial aid; and

''(D) developing graduation and career plans.

''(6) Providing support for scholarships described in section 404E.

''(7) Introducing eligible students to institutions of higher education, through trips and school-based sessions.

''(8) Providing an intensive extended school day, school year, or summer program that offers—

''(A) additional academic classes; or

''(B) assistance with college admission applications.

''(9) Providing other activities designed to ensure secondary school completion and postsecondary education enrollment of at-risk children, such as—

''(A) the identification of at-risk children;

''(B) after-school and summer tutoring;

''(C) assistance to at-risk children in obtaining summer jobs;

''(D) academic counseling;

''(E) volunteer and parent involvement;

''(F) encouraging former or current participants of a program under this chapter to serve as peer counselors;

''(G) skills assessments;

''(H) personal counseling;

''(I) family counseling and home visits;

''(J) staff development; and

''(K) programs and activities described in this subsection that are specially designed for students who are limited English proficient.

''(10) Enabling eligible students to enroll in Advanced Placement or International Baccalaureate courses, or college entrance examination preparation courses.

''(11) Providing services to eligible students in the participating cohort described in section 404B(d)(1)(A), through the first year of attendance at an institution of higher education.

''(c) ADDITIONAL OPTIONAL ACTIVITIES FOR STATES.—In addition to the required activities described in subsection (a) and the optional activities described in subsection (b), an eligible entity described in section 404A(c)(1) receiving funds under this chapter may use grant funds to carry out 1 or more of the following activities:

''(1) Providing technical assistance to—

''(A) middle schools or secondary schools that are located within the State; or

''(B) partnerships described in section 404A(c)(2) that are located within the State.

''(2) Providing professional development opportunities to individuals working with eligible cohorts of students described in section 404B(d)(1)(A).

''(3) Providing strategies and activities that align efforts in the State to prepare eligible students for attending and succeeding in postsecondary education, which may include the development of graduation and career plans.

''(4) Disseminating information on the use of scientifically based research and best practices to improve services for eligible students.

''(5)(A) Disseminating information on effective coursework and support services that assist students in obtaining the goals described in subparagraph (B)(ii).

''(B) Identifying and disseminating information on best practices with respect to—

''(i) increasing parental involvement; and

''(ii) preparing students, including students with disabilities and students who are limited English proficient, to succeed academically in, and prepare financially for, postsecondary education.

''(6) Working to align State academic standards and curricula with the expectations of postsecondary institutions and employers.

''(7) Developing alternatives to traditional secondary school that give students a head start on attaining a recognized postsecondary credential (including an industry certificate, an apprenticeship, or an associate's or a bachelor's degree), including school designs that give students early exposure to college-level courses and experiences and allow students to earn transferable college credits or an associate's degree at the same time as a secondary school diploma.

''(8) Creating community college programs for drop-outs that are personalized drop-out recovery programs that allow drop-outs to complete a regular secondary school diploma and begin college-level work.

''(d) PRIORITY STUDENTS.—For eligible entities not using a cohort approach, the eligible entity shall treat as priority students any student in middle or secondary school who is eligible—

''(1) to be counted under section 1124(c) of the Elementary and Secondary Education Act of 1965;

''(2) for free or reduced price meals under the Richard B. Russell National School Lunch Act;

''(3) for assistance under a State program funded under part A or E of title IV of the Social Security Act (42 U.S.C. 601 et seq., 670 et seq.); or

''(4) for assistance under subtitle B of title VII of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11431 et seq.).

''(e) ALLOWABLE PROVIDERS.—In the case of eligible entities described in section 404A(c)(1), the activities required by this section may be provided by service providers such as community-based organizations, schools, institutions of higher education, public and private agencies, nonprofit and philanthropic organizations, businesses, institutions and agencies sponsoring programs authorized under subpart 4, and other organizations the State determines appropriate.''.

(e) SCHOLARSHIP COMPONENT.—Section 404E (20 U.S.C. 1070a–25) is amended—

(1) by striking subsections (e) and (f);

(2) by redesignating subsections (b), (c), and (d) as subsections (d), (f), and (g), respectively;

(3) by inserting after subsection (a) the following:

''(b) LIMITATION.—

''(1) IN GENERAL.—Subject to paragraph (2), each eligible entity described in section 404A(c)(1) that receives a grant under this chapter shall use not less than 25 percent and not more than 50 percent of the grant funds for activities described in section 404D(c), with the remainder of such funds to be used for a scholarship program under this section.

''(2) EXCEPTION.—Notwithstanding paragraph (1), the Secretary may allow an eligible entity to use more than 50 percent of grant funds received under this chapter for such activities, if the eligible entity demonstrates that the eligible entity has another means of providing the students with the financial assistance described in this section and describes such means in the application submitted under section 404C.

''(c) NOTIFICATION OF ELIGIBILITY.—Each eligible entity providing scholarships under this section shall provide information on the eligibility requirements for the scholarships to all participating students upon the students' entry into the programs assisted under this chapter.'';

(4) in subsection (d) (as redesignated by paragraph (2)), by striking ''the lesser of'' and all that follows through the period at the end of paragraph (2) and inserting ''the minimum Federal Pell Grant award under section 401 for such award year.'';

(5) by inserting after subsection (d) (as redesignated by paragraph (2) and amended by paragraph (4)) the following:

''(e) PORTABILITY OF ASSISTANCE.—

''(1) IN GENERAL.—Each eligible entity described in section 404A(c)(1) that receives a grant under this chapter shall create or organize a trust for each cohort described in section 404B(d)(1)(A) for which the grant is sought in the application submitted by the entity, which trust shall be an amount that is not less than the minimum scholarship amount described in subsection (d), multiplied by the number of students participating in the cohort.

''(2) REQUIREMENT FOR PORTABILITY.—Funds contributed to the trust for a cohort shall be available to a student in the cohort when the student has—

''(A) completed a secondary school diploma, its recognized equivalent, or other recognized alternative standard for individuals with disabilities; and

''(B) enrolled in an institution of higher education.

''(3) QUALIFIED EDUCATIONAL EXPENSES.—Funds available to an eligible student from a trust may be used for—

''(A) tuition, fees, books, supplies, and equipment required for the enrollment or attendance of the eligible student at an institution of higher education; and

''(B) in the case of an eligible student with special needs, expenses for special needs services which are incurred in connection with such enrollment or attendance.

''(4) RETURN OF FUNDS.—

''(A) REDISTRIBUTION.—

''(i) IN GENERAL.—Trust funds that are not used by an eligible student within 6 years of the student's scheduled completion of secondary school may be redistributed by the eligible entity to other eligible students.

''(ii) RETURN OF EXCESS TO THE SECRETARY.—If, after meeting the requirements of paragraph (1) and, if applicable, redistributing excess funds in accordance with clause (i), an eligible entity has funds remaining, the eligible entity shall return excess funds to the Secretary for distribution to other grantees under this chapter.

''(B) NONPARTICIPATING ENTITY.—Notwithstanding subparagraph (A), in the case of an eligible entity described in section 404A(c)(1)(A) that does not receive assistance under this subpart for 6 fiscal years, the eligible entity shall return any trust funds not awarded or obligated to eligible students to the Secretary for distribution to other grantees under this chapter.''; and

(6) in subsection (g) (as redesignated by paragraph (2))—

(A) in paragraph (2), by striking ''1993'' and inserting ''2000''; and

(B) in paragraph (4), by striking ''early intervention component required under section 404D'' and inserting ''activities required under section 404D(a)''.

(f) REPEAL OF 21ST CENTURY SCHOLAR CERTIFICATES.—Chapter 2 of subpart 2 of part A of title IV (20 U.S.C. 1070a–21 et seq.) is further amended—

(1) by striking section 404F; and

(2) by redesignating sections 404G and 404H as sections 404F and 404G, respectively.

(g) AUTHORIZATION OF APPROPRIATIONS.—Section 404G (as redesignated by subsection (f)) (20 U.S.C. 1070a–28) is amended by striking ''$200,000,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''.

(h) CONFORMING AMENDMENTS.—Chapter 2 of subpart 2 of part A of title IV (20 U.S.C. 1070a–21 et seq.) is further amended—

(1) in section 404A(b)(1), by striking ''404H'' and inserting ''404G'';

(2) in section 404B(a)(1), by striking ''404H'' and inserting ''404G''; and

(3) in section 404F(c) (as redesignated by subsection (f)(2)), by striking ''404H'' and inserting ''404G''.

SEC. 7364. ACADEMIC ACHIEVEMENT INCENTIVE SCHOLARSHIPS.

Chapter 3 of subpart 2 of part A of title IV (20 U.S.C. 1070a–31 et seq.) is repealed.

SEC. 7365. FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANTS.

(a) APPROPRIATIONS AUTHORIZED.—Section 413A(b)(1) (20 U.S.C. 1070b(b)(1)) is amended by striking ''$675,000,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''.

(b) ALLOCATION OF FUNDS.—

(1) ALLOCATION OF FUNDS.—Section 413D (20 U.S.C. 1070b–3) is amended—

(A) by striking subsection (a)(4); and

(B) in subsection (c)(3)(D), by striking ''$450'' and inserting ''$600''.

(2) TECHNICAL CORRECTION.—Section 413D(a)(1) (20 U.S.C. 1070b–3(a)(1)) is amended by striking ''such institution'' and all that follows through the period and inserting ''such institution received under subsections (a) and (b) of this section for fiscal year 1999 (as such subsections were in effect with respect to allocations for such fiscal year).''.

SEC. 7366. LEVERAGING EDUCATIONAL ASSISTANCE PARTNERSHIP PROGRAM.

(a) APPROPRIATIONS AUTHORIZED.—Section 415A(b)(1) (20 U.S.C. 1070c(b)(1)) is amended to read as follows:

''(1) IN GENERAL.—There are authorized to be appropriated to carry out this subpart such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''.

(b) APPLICATIONS.—Section 415C(b) (20 U.S.C. 1070c–2(b)) is amended—

(1) in the matter preceding subparagraph (A) of paragraph (2), by striking ''not in excess of $5,000 per academic year'' and inserting ''not to exceed the lesser of $12,500 or the student's cost of attendance per academic year''; and

(2) by striking paragraph (10) and inserting the following:

''(10) provides notification to eligible students that such grants are—

''(A) Leveraging Educational Assistance Partnership grants; and

''(B) funded by the Federal Government, the State, and other contributing partners.''.

(c) GRANTS FOR ACCESS AND PERSISTENCE.—Section 415E (20 U.S.C. 1070c–3a) is amended to read as follows:

"SEC. 415E. GRANTS FOR ACCESS AND PERSISTENCE.

''(a) PURPOSE.—It is the purpose of this section to expand college access and increase college persistence by making allotments to States to enable the States to—

''(1) expand and enhance partnerships with institutions of higher education, early information and intervention, mentoring, or outreach programs, private corporations, philanthropic organizations, and other interested parties in order to—

''(A) carry out activities under this section; and

''(B) provide coordination and cohesion among Federal, State, and local governmental and private efforts that provide financial assistance to help low-income students attend an institution of higher education;

''(2) provide need-based grants for access and persistence to eligible low-income students;

''(3) provide early notification to low-income students of the students' eligibility for financial aid; and

''(4) encourage increased participation in early information and intervention, mentoring, or outreach programs.

''(b) ALLOTMENTS TO STATES.—

''(1) IN GENERAL.—

''(A) AUTHORIZATION.—From sums reserved under section 415A(b)(2) for each fiscal year, the Secretary shall make an allotment to each State that submits an application for an allotment in accordance with subsection (c) to enable the State to pay the Federal share, as described in paragraph (2), of the cost of carrying out the activities under subsection (d).

''(B) DETERMINATION OF ALLOTMENT.—In making allotments under subparagraph (A), the Secretary shall consider the following:

''(i) CONTINUATION OF AWARD.—If a State continues to meet the specifications established in such State's application under subsection (c), the Secretary shall make an allotment to such State that is not less than the allotment made to such State for the previous fiscal year.

''(ii) PRIORITY.—The Secretary shall give priority in making allotments to States that meet the requirements described in paragraph (2)(A)(ii).

''(2) FEDERAL SHARE.—

''(A) IN GENERAL.—The Federal share under this section shall be determined in accordance with the following:

''(i) If a State applies for an allotment under this section in partnership with—

''(I) any number of degree granting institutions of higher education in the State whose combined full-time enrollment represents less than a majority of all students attending institutions of higher education in the State; and

''(II)(aa) philanthropic organizations that are located in, or that provide funding in, the State; or

''(bb) private corporations that are located in, or that do business in, the State,

then the Federal share of the cost of carrying out the activities under subsection (d) shall be equal to 50 percent.

''(ii) If a State applies for an allotment under this section in partnership with—

''(I) any number of degree granting institutions of higher education in the State whose combined full-time enrollment represents a majority of all students attending institutions of higher education in the State; and

''(II)(aa) philanthropic organizations that are located in, or that provide funding in, the State; or

''(bb) private corporations that are located in, or that do business in, the State,

then the Federal share of the cost of carrying out the activities under subsection (d) shall be equal to 57 percent.

''(B) NON-FEDERAL SHARE.—

''(i) IN GENERAL.—The non-Federal share under this section may be provided in cash or in kind, fully evaluated and in accordance with this subparagraph.

''(ii) IN KIND CONTRIBUTION.—For the purpose of calculating the non-Federal share under this section, an in kind contribution is a non-cash award that has monetary value, such as provision of room and board and transportation passes, and that helps a student meet the cost of attendance.

''(iii) EFFECT ON NEED ANALYSIS.—For the purpose of calculating a student's need in accordance with part F of this title, an in-kind contribution described in clause (ii) shall not be considered an asset or income.

''(c) APPLICATION FOR ALLOTMENT.—

''(1) IN GENERAL.—

''(A) SUBMISSION.—A State that desires to receive an allotment under this section on behalf of a partnership described in paragraph (3) shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(B) CONTENT.—An application submitted under subparagraph (A) shall include the following:

''(i) A description of the State's plan for using the allotted funds.

''(ii) Assurances that the State will provide the non-Federal share from State, institutional, philanthropic, or private funds, of not less than the required share of the cost of carrying out the activities under subsection (d), as determined under subsection (b), in accordance with the following:

''(I) The State shall specify the methods by which non-Federal share funds will be paid and include provisions designed to ensure that funds provided under this section will be used to supplement, and not supplant, Federal and non-Federal funds available for carrying out the activities under this title.

''(II) A State that uses non-Federal funds to create or expand existing partnerships with nonprofit organizations or community-based organizations in which such organizations match State funds for student scholarships, may apply such matching funds from such organizations toward fulfilling the State's non-Federal share obligation under this clause.

''(iii) Assurances that early information and intervention, mentoring, or outreach programs exist within the State or that there is a plan to make such programs widely available.

''(iv) A description of the organizational structure that the State has in place to administer the activities under subsection (d), including a description of the system the State will use to track the participation of students who receive grants under this section to degree completion.

''(v) Assurances that the State has a method in place, such as acceptance of the automatic zero expected family contribution determination described in section 479, to identify eligible low-income students and award State grant aid to such students.

''(vi) Assurances that the State will provide notification to eligible low-income students that grants under this section are—

''(I) Leveraging Educational Assistance Partnership Grants; and

''(II) funded by the Federal Government, the State, and other contributing partners.

''(2) STATE AGENCY.—The State agency that submits an application for a State under section 415C(a) shall be the same State agency that submits an application under paragraph (1) for such State.

''(3) PARTNERSHIP.—In applying for an allotment under this section, the State agency shall apply for the allotment in partnership with—

''(A) not less than 1 public and 1 private degree granting institution of higher education that are located in the State, if applicable;

''(B) new or existing early information and intervention, mentoring, or outreach programs located in the State; and

''(C) not less than 1—

''(i) philanthropic organization located in, or that provides funding in, the State; or

''(ii) private corporation located in, or that does business in, the State.

''(4) ROLES OF PARTNERS.—

''(A) STATE AGENCY.—A State agency that is in a partnership receiving an allotment under this section—

''(i) shall—

''(I) serve as the primary administrative unit for the partnership;

''(II) provide or coordinate non-Federal share funds, and coordinate activities among partners;

''(III) encourage each institution of higher education in the State to participate in the partnership;

''(IV) make determinations and early notifications of assistance as described under subsection (d)(2); and

''(V) annually report to the Secretary on the partnership's progress in meeting the purpose of this section; and

''(ii) may provide early information and intervention, mentoring, or outreach programs.

''(B) DEGREE GRANTING INSTITUTIONS OF HIGHER EDUCATION.—A degree granting institution of higher education that is in a partnership receiving an allotment under this section—

''(i) shall—

''(I) recruit and admit participating qualified students and provide such additional institutional grant aid to participating students as agreed to with the State agency;

''(II) provide support services to students who receive grants for access and persistence under this section and are enrolled at such institution; and

''(III) assist the State in the identification of eligible students and the dissemination of early notifications of assistance as agreed to with the State agency; and

''(ii) may provide funding for early information and intervention, mentoring, or outreach programs or provide such services directly.

''(C) PROGRAMS.—An early information and intervention, mentoring, or outreach program that is in a partnership receiving an allotment under this section shall provide direct services, support, and information to participating students.

''(D) PHILANTHROPIC ORGANIZATION OR PRIVATE CORPORATION.—A philanthropic organization or private corporation that is in a partnership receiving an allotment under this section shall provide funds for grants for access and persistence for participating students, or provide funds or support for early information and intervention, mentoring, or outreach programs.

''(d) AUTHORIZED ACTIVITIES.—

''(1) IN GENERAL.—

''(A) ESTABLISHMENT OF PARTNERSHIP.—Each State receiving an allotment under this section shall use the funds to establish a partnership to award grants for access and persistence to eligible low-income students in order to increase the amount of financial assistance such students receive under this subpart for undergraduate education expenses.

''(B) AMOUNT OF GRANTS.—

''(i) PARTNERSHIPS WITH INSTITUTIONS SERVING LESS THAN A MAJORITY OF STUDENTS IN THE STATE.—

''(I) IN GENERAL.—In the case where a State receiving an allotment under this section is in a partnership described in subsection (b)(2)(A)(i), the amount of a grant for access and persistence awarded by such State shall be not less than the amount that is equal to the average undergraduate tuition and mandatory fees at 4-year public institutions of higher education in the State where the student resides (less any other Federal or State sponsored grant amount, work study amount, and scholarship amount received by the student), and such amount shall be used toward the cost of attendance at an institution of higher education located in the State.

''(II) COST OF ATTENDANCE.—A State that has a program, apart from the partnership under this section, of providing eligible low-income students with grants that are equal to the average undergraduate tuition and mandatory fees at 4-year public institutions of higher education in the State, may increase the amount of grants for access and persistence awarded by such State up to an amount that is equal to the average cost of attendance at 4-year public institutions of higher education in the State (less any other Federal or State sponsored grant amount, work study amount, and scholarship amount received by the student).

''(ii) PARTNERSHIPS WITH INSTITUTIONS SERVING THE MAJORITY OF STUDENTS IN THE STATE.—In the case where a State receiving an allotment under this section is in a partnership described in subsection (b)(2)(A)(ii), the amount of a grant for access and persistence awarded by such State shall be not more than an amount that is equal to the average cost of attendance at 4-year public institutions of higher education in the State where the student resides (less any other Federal or State sponsored grant amount, college work study amount, and scholarship amount received by the student), and such amount shall be used by the student to attend an institution of higher education located in the State.

''(C) SPECIAL RULES.—

''(i) PARTNERSHIP INSTITUTIONS.—A State receiving an allotment under this section may restrict the use of grants for access and persistence under this section by awarding the grants only to students attending institutions of higher education that are participating in the partnership.

''(ii) OUT-OF-STATE INSTITUTIONS.—If a State provides grants through another program under this subpart to students attending institutions of higher education located in another State, such agreement may also apply to grants awarded under this section.

''(2) EARLY NOTIFICATION.—

''(A) IN GENERAL.—Each State receiving an allotment under this section shall annually notify low-income students, such as students who are eligible to receive a free lunch under the school lunch program established under the Richard B. Russell National School Lunch Act, in grade 7 through grade 12 in the State, of the students' potential eligibility for student financial assistance, including a grant for access and persistence, to attend an institution of higher education.

''(B) CONTENT OF NOTICE.—The notification under subparagraph (A)—

''(i) shall include—

''(I) information about early information and intervention, mentoring, or outreach programs available to the student;

''(II) information that a student's candidacy for a grant for access and persistence is enhanced through participation in an early information and intervention, mentoring, or outreach program;

''(III) an explanation that student and family eligibility and participation in other Federal means-tested programs may indicate eligibility for a grant for access and persistence and other student aid programs;

''(IV) a nonbinding estimation of the total amount of financial aid a low-income student with a similar income level may expect to receive, including an estimation of the amount of a grant for access and persistence and an estimation of the amount of grants, loans, and all other available types of aid from the major Federal and State financial aid programs;

''(V) an explanation that in order to be eligible for a grant for access and persistence, at a minimum, a student shall—

''(aa) meet the requirement under paragraph (3);

''(bb) graduate from secondary school; and

''(cc) enroll at an institution of higher education that is a partner in the partnership or qualifies under subsection (d)(1)(C)(ii);

''(VI) information on any additional requirements (such as a student pledge detailing student responsibilities) that the State may impose for receipt of a grant for access and persistence under this section; and

''(VII) instructions on how to apply for a grant for access and persistence and an explanation that a student is required to file a Free Application for Federal Student Aid authorized under section 483(a) to be eligible for such grant and assistance from other Federal and State financial aid programs; and

''(ii) may include a disclaimer that grant awards for access and persistence are contingent upon—

''(I) a determination of the student's financial eligibility at the time of the student's enrollment at an institution of higher education that is a partner in the partnership or qualifies under subsection (d)(1)(C)(ii);

''(II) annual Federal and State appropriations; and

''(III) other aid received by the student at the time of the student's enrollment at such institution of higher education.

''(3) ELIGIBILITY.—In determining which students are eligible to receive grants for access and persistence, the State shall ensure that each such student meets not less than 1 of the following:

''(A) Meets not less than 2 of the following criteria, with priority given to students meeting all of the following criteria:

''(i) Has an expected family contribution equal to zero (as described in section 479) or a comparable alternative based upon the State's approved criteria in section 415C(b)(4).

''(ii) Has qualified for a free lunch, or at the State's discretion a reduced price lunch, under the school lunch program established under the Richard B. Russell National School Lunch Act.

''(iii) Qualifies for the State's maximum undergraduate award, as authorized under section 415C(b).

''(iv) Is participating in, or has participated in, a Federal, State, institutional, or community early information and intervention, mentoring, or outreach program, as recognized by the State agency administering activities under this section.

''(B) Is receiving, or has received, a grant for access and persistence under this section, in accordance with paragraph (5).

''(4) GRANT AWARD.—Once a student, including those students who have received early notification under paragraph (2) from the State, applies for admission to an institution that is a partner in the partnership, files a Free Application for Federal Student Aid and any related existing State form, and is determined eligible by the State under paragraph (3), the State shall—

''(A) issue the student a preliminary award certificate for a grant for access and persistence with tentative award amounts; and

''(B) inform the student that payment of the grant for access and persistence award amounts is subject to certification of enrollment and award eligibility by the institution of higher education.

''(5) DURATION OF AWARD.—An eligible student that receives a grant for access and persistence under this section shall receive such grant award for each year of such student's undergraduate education in which the student remains eligible for assistance under this title, including pursuant to section 484(c), and remains financially eligible as determined by the State, except that the State may impose reasonable time limits to degree completion.

''(e) USE OF FUNDS FOR ADMINISTRATIVE COSTS PROHIBITED.—A State that receives an allotment under this section shall not use any of the allotted funds to pay administrative costs associated with any of the authorized activities described in subsection (d).

''(f) STATUTORY AND REGULATORY RELIEF FOR INSTITUTIONS OF HIGHER EDUCATION.—The Secretary may grant, upon the request of an institution of higher education that is in a partnership described in subsection (b)(2)(A)(ii) and that receives an allotment under this section, a waiver for such institution from statutory or regulatory requirements that inhibit the ability of the institution to successfully and efficiently participate in the activities of the partnership.

''(g) APPLICABILITY RULE.—The provisions of this subpart which are not inconsistent with this section shall apply to the program authorized by this section.

''(h) MAINTENANCE OF EFFORT REQUIREMENT.—Each State receiving an allotment under this section for a fiscal year shall provide the Secretary with an assurance that the aggregate amount expended per student or the aggregate expenditures by the State, from funds derived from non-Federal sources, for the authorized activities described in subsection (d) for the preceding fiscal year were not less than the amount expended per student or the aggregate expenditure by the State for the activities for the second preceding fiscal year.

''(i) SPECIAL RULE.—Notwithstanding subsection (h), for purposes of determining a State's share of the cost of the authorized activities described in subsection (d), the State shall consider only those expenditures from non-Federal sources that exceed the State's total expenditures for need-based grants, scholarships, and work-study assistance for fiscal year 1999 (including any such assistance provided under this subpart).

''(j) CONTINUATION AND TRANSITION.—For the 2-year period that begins on the date of enactment of the Higher Education Amendments of 2005, the Secretary shall continue to award grants under section 415E of the Higher Education Act of 1965 as such section existed on the day before the date of enactment of such Act to States that choose to apply for grants under such predecessor section.

''(k) REPORTS.—Not later than 3 years after the date of enactment of the Higher Education Amendments of 2005 and annually thereafter, the Secretary shall submit a report describing the activities and the impact of the partnerships under this section to the authorizing committees.''.

SEC. 7367. SPECIAL PROGRAMS FOR STUDENTS WHOSE FAMILIES ARE ENGAGED IN MIGRANT AND SEASONAL FARMWORK.

Section 418A (20 U.S.C. 1070d–2) is amended—

(1) in subsection (a), by adding ''(including providing outreach and technical assistance)'' after ''maintain and expand'';

(2) in subsection (b)—

(A) in paragraph (1)(B)(i), by striking ''parents'' and inserting ''immediate family'';

(B) in paragraph (3)(B), by inserting ''(including preparation for college entrance examinations)'' after ''college program'';

(C) in paragraph (5), by striking ''weekly'';

(D) in paragraph (7), by striking ''and'' after the semicolon;

(E) in paragraph (8), by striking the period at the end and inserting ''; and''; and

(F) by adding at the end the following:

''(9) other activities to improve persistence and retention in postsecondary education.'';

(3) in subsection (c)—

(A) in paragraph (1)—

(i) in subparagraph (B)—

(I) in the matter preceding clause (i), by inserting ''to improve placement, persistence, and retention in postsecondary education'' after ''services''; and

(II) in clause (i), by striking ''and career'' and inserting ''career, and economic education or personal finance'';

(ii) in subparagraph (E), by striking ''and'' after the semicolon;

(iii) by redesignating subparagraph (F) as subparagraph (G); and

(iv) by inserting after subparagraph (E) the following:

''(F) internships; and''; and

(B) in paragraph (2)—

(i) in subparagraph (A), by striking ''and'' after the semicolon;

(ii) in subparagraph (B), by striking the period at the end and inserting '', and coordinating such services, assistance, and aid with other non-program services, assistance, and aid, including services, assistance, and aid provided by community-based organizations, which may include mentoring and guidance; and''; and

(iii) by adding at the end the following:

''(C) for students attending 2-year institutions of higher education, encouraging the students to transfer to 4-year institutions of higher education, where appropriate, and monitoring the rate of transfer of such students.'';

(4) in subsection (e), by striking ''section 402A(c)(1)'' and inserting ''section 402A(c)(2)'';

(5) in subsection (f)—

(A) in paragraph (1), by striking ''$150,000'' and inserting ''$180,000''; and

(B) in paragraph (2), by striking ''$150,000'' and inserting ''$180,000''; and

(6) in subsection (h)—

(A) in paragraph (1), by striking ''$15,000,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''; and

(B) in paragraph (2), by striking ''$5,000,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''.

SEC. 7368. ROBERT C. BYRD HONORS SCHOLARSHIP PROGRAM.

(a) ELIGIBILITY OF SCHOLARS.—Section 419F(a) (20 U.S.C. 1070d–36(a)) is amended by inserting ''(or a home school, whether treated as a home school or a private school under State law)'' after ''private or public secondary school''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 419K (20 U.S.C. 1070d–41) is amended by striking ''$45,000,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''.

SEC. 7369. CHILD CARE ACCESS MEANS PARENTS IN SCHOOL.

(a) MINIMUM GRANT.—Section 419N(b)(2)(B) (20 U.S.C. 1070e(b)(2)(B)) is amended—

(1) by striking ''A grant'' and inserting the following:

''(i) IN GENERAL.—Except as provided in clause (ii), a grant''; and

(2) by adding at the end the following:

''(ii) INCREASE TRIGGER.—For any fiscal year for which the amount appropriated under the authority of subsection (g) is equal to or greater than $20,000,000, a grant under this section shall be awarded in an amount that is not less than $30,000.''.

(b) DEFINITION OF LOW-INCOME STUDENT.—Paragraph (7) of section 419N(b) (20 U.S.C. 1070e(b)) is amended to read as follows:

''(7) DEFINITION OF LOW-INCOME STUDENT.—For the purpose of this section, the term 'low-income student' means a student who—

''(A) is eligible to receive a Federal Pell Grant for the fiscal year for which the determination is made; or

''(B) would otherwise be eligible to receive a Federal Pell Grant for the fiscal year for which the determination is made, except that the student fails to meet the requirements of—

''(i) section 401(c)(1) because the student is enrolled in a graduate or first professional course of study; or

''(ii) section 484(a)(5) because the student is in the United States for a temporary purpose.''.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 419N(g) (20 U.S.C. 1070e(g)) is amended by striking ''$45,000,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''.

SEC. 7370. LEARNING ANYTIME ANYWHERE PARTNERSHIPS.

Subpart 8 of part A of title IV (20 U.S.C. 1070f et seq.) is repealed.

Subchapter B—Federal Family Education Loan Program

SEC. 7381. EXTENSION OF AUTHORITIES.

(a) FEDERAL INSURANCE LIMITATIONS.—Section 424(a) (20 U.S.C. 1074(a)) is amended—

(1) by striking ''2004'' and inserting ''2012''; and

(2) by striking ''2008'' and inserting ''2016''.

(b) GUARANTEED LOANS.—Section 428(a)(5) (20 U.S.C. 1078(a)(5)) is amended—

(1) by striking ''2004'' and inserting ''2012''; and

(2) by striking ''2008'' and inserting ''2016''.

(3) CONSOLIDATION LOANS.—Section 428C(e) (20 U.S.C. 1078–3(e)) is amended by striking ''2004'' and inserting ''2012''.

SEC. 7382. FEDERAL PAYMENTS TO REDUCE STUDENT INTEREST COSTS.

Section 428 (20 U.S.C. 1078) is amended—

(1) in subsection (b)(1)—

(A) in subparagraph (N)—

(i) in clause (i), by striking ''or'' after the semicolon; and

(ii) by striking clause (ii) and inserting the following:

''(ii) in the case of a student who is studying outside the United States in a program of study abroad that is approved for credit by the home institution at which such student is enrolled, and only after verification of the student's enrollment by the lender or guaranty agency, are, at the request of the student, disbursed directly to the student by the means described in clause (i), unless such student requests that the check be endorsed, or the funds transfer be authorized, pursuant to an authorized power-of-attorney; or

''(iii) in the case of a student who is studying outside the United States in a program of study at an eligible foreign institution, are, at the request of the foreign institution, disbursed directly to the student, only after verification of the student's enrollment by the lender or guaranty agency by the means described in clause (i);''; and

(B) in subparagraph (Y)(i)(III), by inserting '', except that, if requested by an institution of higher education, the lender shall confirm such status through use of the National Student Loan Data System'' before the semicolon; and

(2) in subsection (c)(2)(H)(i), by striking ''preclaims'' and inserting ''default aversion''.

SEC. 7383. FEDERAL CONSOLIDATION LOANS.

Section 428C(b)(1) (20 U.S.C. 1078–3(b)(1)) is amended—

(1) in subparagraph (E), by striking ''and'' after the semicolon;

(2) by redesignating subparagraph (F) as subparagraph (G); and

(3) by inserting after subparagraph (E) the following:

''(F) that the lender will disclose, in a clear and conspicuous manner, to borrowers who consolidate loans made under part E of this title—

''(i) that once the borrower adds the borrower's Federal Perkins Loan to a Federal Consolidation Loan, the borrower will lose all interest-free periods that would have been available, such as those periods when no interest accrues on the Federal Perkins Loan while the borrower is enrolled in school at least half-time, during the grace period, and during periods when the borrower's student loan repayments are deferred;

''(ii) that the borrower will no longer be eligible for loan forgiveness of Federal Perkins Loans under any provision of section 465; and

''(iii) the occupations described in section 465(a)(2), individually and in detail, for which the borrower will lose eligibility for Federal Perkins Loan forgiveness; and''.

SEC. 7384. DEFAULT REDUCTION PROGRAM.

Section 428F (20 U.S.C. 1078–6) is amended by adding at the end the following:

''(c) FINANCIAL AND ECONOMIC LITERACY.—Where appropriate as determined by the institution of higher education in which a borrower is enrolled, each program described in subsection (b) shall include making available financial and economic education materials for the borrower, including making the materials available before, during, or after rehabilitation of a loan.''.

SEC. 7385. REQUIREMENTS FOR DISBURSEMENT OF STUDENT LOANS.

Section 428G(e) (20 U.S.C. 1078–7(e)) is amended by striking '', made to a student to cover the cost of attendance at an eligible institution outside the United States''.

SEC. 7386. REPORTS TO CREDIT BUREAUS AND INSTITUTIONS OF HIGHER EDUCATION.

Section 430A(a) (20 U.S.C. 1080a(a)) is amended—

(1) in the first sentence, by striking ''with credit bureau organizations'' and inserting ''with each consumer reporting agency that compiles and maintains files on consumers on a nationwide basis (as defined in section 603(p) of the Fair Credit Reporting Act (15 U.S.C. 1681a(p))'';

(2) by redesignating paragraphs (1), (2), and (3) as paragraphs (2), (4), and (5), respectively;

(3) by inserting before paragraph (2) (as redesignated by paragraph (2)), the following:

''(1) the type of loan made, insured, or guaranteed under this title;'';

(4) by inserting after paragraph (2) (as redesignated by paragraph (2)), the following:

''(3) information concerning the repayment status of the loan, which information shall be included in the file of the borrower, except that nothing in this subsection shall be construed to affect any otherwise applicable provision of the Fair Credit Reporting Act (15 U.S.C. 1681 et seq.)'';

(5) in paragraph (4) (as redesignated by paragraph (2)), by striking ''and'' after the semicolon;

(6) in paragraph (5) (as redesignated by paragraph (2)), by striking the period and inserting ''; and''; and

(7) by adding at the end the following:

''(6) any other information required to be reported by Federal law.''.

SEC. 7387. COMMON FORMS AND FORMATS.

Section 432(m)(1)(D)(i) (20 U.S.C. 1082(m)(1)(D)(i)) is amended by adding at the end the following: ''Unless otherwise notified by the Secretary, each institution of higher education that participates in the program under this part or part D may use a master promissory note for loans under this part and part D.''.

SEC. 7388. STUDENT LOAN INFORMATION BY ELIGIBLE BORROWERS.

Section 433 (20 U.S.C. 1083) is amended by adding at the end the following:

''(f) BORROWER INFORMATION AND PRIVACY.—Each entity participating in a program under this part that is subject to subtitle A of title V of the Gramm-Leach-Bliley Act (15 U.S.C. 6801 et seq.) shall only use, release, disclose, sell, transfer, or give student information, including the name, address, social security number, or amount borrowed by a borrower or a borrower's parent, in accordance with the provisions of such subtitle.

''(g) LOAN BENEFIT DISCLOSURES.—

''(1) IN GENERAL.—Each eligible lender, holder, or servicer of a loan made, insured, or guaranteed under this part shall provide the borrower with information on the loan benefit repayment options the lender, holder, or servicer offer, including information on reductions in interest rates—

''(A) by repaying the loan by automatic payroll or checking account deduction;

''(B) by completing a program of on-time repayment; and

''(C) under any other interest rate reduction program.

''(2) INFORMATION.—Such borrower information shall include—

''(A) any limitations on such options;

''(B) explicit information on the reasons a borrower may lose eligibility for such an option;

''(C) examples of the impact the interest rate reductions will have on a borrower's time for repayment and amount of repayment;

''(D) upon the request of the borrower, the effect the reductions in interest rates will have with respect to the borrower's payoff amount and time for repayment; and

''(E) information on borrower recertification requirements.''.

SEC. 7389. CONSUMER EDUCATION INFORMATION.

Part B of title IV (20 U.S.C. 1071 et seq.) is amended by inserting after section 433 (20 U.S.C. 1083) the following:

''SEC. 433A. CONSUMER EDUCATION INFORMATION.

''Each guaranty agency participating in a program under this part working with the institutions of higher education served by such guaranty agency (or in the case of an institution of higher education that provides loans exclusively through part D, the institution working with a guaranty agency or with the Secretary) shall develop and make available a quality educational program and materials to provide training for students in budgeting and financial management, including debt management and other aspects of financial literacy, such as the cost of using very high interest loans to pay for postsecondary education, particularly as budgeting and financial management relates to student loan programs authorized by this title. Nothing in this section shall be construed to prohibit a guaranty agency from using an existing program or existing materials to meet the requirement of this section. The activities described in this section shall be considered default reduction activities for the purposes of section 422.''.

SEC. 7390. DEFINITION OF ELIGIBLE LENDER.

Section 435(d)(2) (20 U.S.C. 1085(d)(2)) is amended by striking subparagraph (F) and inserting the following:

''(F) shall use the proceeds from special allowance payments, interest payments from borrowers, proceeds from the sale of a loan made, insured, or guaranteed under this part, and all other proceeds related to such a loan that are furnished to the eligible institution or any entity affiliated (directly or indirectly) with the eligible institution, for need based grant programs, except that such payments and proceeds may be used for reasonable reimbursement for direct administrative expenses;''.

SEC. 7390A. REPAYMENT BY THE SECRETARY OF LOANS OF BANKRUPT, DECEASED, OR DISABLED BORROWERS; TREATMENT OF BORROWERS ATTENDING SCHOOLS THAT FAIL TO PROVIDE A REFUND, ATTENDING CLOSED SCHOOLS, OR FALSELY CERTIFIED AS ELIGIBLE TO BORROW.

Section 437 (20 U.S.C. 1087) is amended—

(1) in the section heading, by striking **''CLOSED SCHOOLS OR FALSELY CERTIFIED AS ELIGIBLE TO BORROW''** and inserting **''SCHOOLS THAT FAIL TO PROVIDE A REFUND, ATTENDING CLOSED SCHOOLS, OR FALSELY CERTIFIED AS ELIGIBLE TO BORROW''**; and

(2) in the first sentence of subsection (c)(1), by inserting ''or was falsely certified as a result of a crime of identity theft'' after ''falsely certified by the eligible institution''.

Subchapter C—Federal Work-Study Programs

SEC. 7391. AUTHORIZATION OF APPROPRIATIONS.

Section 441(b) (42 U.S.C. 2751(b)) is amended by striking ''$1,000,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''.

SEC. 7392. ALLOWANCE FOR BOOKS AND SUPPLIES.

Section 442(c)(4)(D) (42 U.S.C. 2752(c)(4)(D)) is amended by striking ''$450'' and inserting ''$600''.

SEC. 7393. GRANTS FOR FEDERAL WORK-STUDY PROGRAMS.

Section 443(b)(2) (42 U.S.C. 2753(b)(2)) is amended—

(1) by striking subparagraph (A);

(2) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(3) in subparagraph (A) (as redesignated by paragraph (2)), by striking ''this subparagraph if'' and all that follows through ''institution;'' and inserting ''this subparagraph if—

''(i) the Secretary determines that enforcing this subparagraph would cause hardship for students at the institution; or

''(ii) the institution certifies to the Secretary that 15 percent or more of its total full-time enrollment participates in community service activities described in section 441(c) or tutoring and literacy activities described in subsection (d) of this section;''.

SEC. 7394. JOB LOCATION AND DEVELOPMENT PROGRAMS.

Section 446(a)(1) (42 U.S.C. 2756(a)(1)) is amended by striking ''$50,000'' and inserting ''$75,000''.

SEC. 7395. WORK COLLEGES.

Section 448 (42 U.S.C. 2756b) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''under subsection (f)'' and inserting ''for this section under section 441(b)''; and

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A), by striking ''pursuant to subsection (f)'' and inserting ''for this section under section 441(b)'';

(ii) by redesignating subparagraphs (C) through (F) as subparagraphs (D) through (G), respectively; and

(iii) by inserting after subparagraph (B) the following:

''(C) support existing and new model student volunteer community service projects associated with local institutions of higher education, such as operating drop-in resource centers that are staffed by students and that link people in need with the resources and opportunities necessary to become self-sufficient;'';

(2) in subsection (c), by striking ''by subsection (f) to use funds under subsection (b)(1)'' and inserting ''for this section under section 441(b) or to use funds under subsection (b)(1),''; and

(4) by striking subsection (f).

Subchapter D—William D. Ford Federal Direct Loan Program

SEC. 7401. FUNDS FOR ADMINISTRATIVE EXPENSES.

Section 458 (20 U.S.C. 1087h) is amended—

(1) in subsection (a)(1), in the matter following subparagraph (B), by striking ''$617,000,000'' and all that follows through the period and inserting ''$904,000,000 in fiscal year 2006, $943,000,000 in fiscal year 2007, $983,000,000 in fiscal year 2008, $1,023,000,000 in fiscal year 2009, $1,064,000,000 in fiscal year 2010, and $1,106,000,000 in fiscal year 2011.''; and

(2) in subsection (c)(1), by striking subparagraphs (A) through (E) and inserting the following:

''(A) for fiscal year 2006, shall not exceed $271,000,000;

''(B) for fiscal year 2007, shall not exceed $293,000,000;

''(C) for fiscal year 2008, shall not exceed $315,000,000;

''(D) for fiscal year 2009, shall not exceed $336,000,000;

''(E) for fiscal year 2010, shall not exceed $356,000,000; and

''(F) for fiscal year 2011, shall not exceed $378,000,000.''.

Subchapter E—Federal Perkins Loans

SEC. 7411. PROGRAM AUTHORITY.

Section 461(b) (20 U.S.C. 1087aa(b)) is amended—

(1) in paragraph (1), by striking ''$250,000,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''; and

(2) in paragraph (2),—

(A) by striking ''fiscal year 2003'' and inserting ''fiscal year 2012''; and

(B) by striking ''October 1, 2003'' and inserting ''October 1, 2012''.

SEC. 7412. TERMS OF LOANS.

Section 464 (20 U.S.C. 1087dd) is amended—

(1) in subsection (b)(1), by striking ''for an additional loan under this part'' and inserting ''for additional aid under this title''; and

(2) in subsection (e), by striking ''written''.

SEC. 7413. CANCELLATION OF LOANS FOR CERTAIN PUBLIC SERVICE.

Section 465(a) (20 U.S.C. 1087ee(a)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (B), by striking ''Head Start Act which'' and inserting ''Head Start Act, or in a prekindergarten or child care program that is licensed or regulated by the State, that'';

(B) in subparagraph (H), by striking ''or'' after the semicolon;

(C) in subparagraph (I), by striking the period and inserting a semicolon; and

(D) by inserting before the matter following subparagraph (I) (as amended by subparagraph (C)) the following:

''(J) as a full-time faculty member at a Tribal College or University, as that term is defined in section 316;

''(K) as a librarian, if the librarian has a master's degree in library science and is employed in—

''(i) an elementary school or secondary school that is eligible for assistance under title I of the Elementary and Secondary Education Act of 1965; or

''(ii) a public library that serves a geographic area that contains 1 or more schools eligible for assistance under title I of the Elementary and Secondary Education Act of 1965; or

''(L) as a full-time speech language therapist, if the therapist has a master's degree and is working exclusively with schools that are eligible for assistance under title I of the Elementary and Secondary Education Act of 1965.''; and

(2) in paragraph (3)(A)(i), by striking ''or (I)'' and inserting ''(I), (J), (K), or (L)''.

SEC. 7414. FEDERAL CAPITAL CONTRIBUTION RECOVERY.

Section 466 (20 U.S.C. 1087ff) is amended—

(1) in subsection (a)—

(A) by striking ''2003'' each place it appears and inserting ''2011''; and

(B) by striking ''2004'' and inserting ''2012''; and

(2) in subsection (c), by striking ''2004'' and inserting ''2012''.

Subchapter F—Need Analysis

SEC. 7421. COST OF ATTENDANCE.

Section 472 (20 U.S.C. 1087ll) is amended—

(1) by striking paragraph (4) and inserting the following:

''(4) for less than half-time students (as determined by the institution), tuition and fees and an allowance for only—

''(A) books, supplies, and transportation (as determined by the institution);

''(B) dependent care expenses (determined in accordance with paragraph (8)); and

''(C) room and board costs (determined in accordance with paragraph (3)), except that a student may receive an allowance for such costs under this subparagraph for not more than 3 semesters or the equivalent, of which not more than 2 semesters or the equivalent may be consecutive;'';

(2) in paragraph (11), by striking ''and'' after the semicolon;

(3) in paragraph (12), by striking the period and inserting ''; and''; and

(4) by adding at the end the following:

''(13) at the option of the institution, for a student in a program requiring professional licensure or certification, the one time cost of obtaining the first professional credentials (as determined by the institution).''.

SEC. 7422. DISCRETION OF STUDENT FINANCIAL AID ADMINISTRATORS.

The third sentence of section 479A(a) (20 U.S.C. 1087tt(a)) is amended—

(1) by inserting ''or an independent student'' after ''family member''; and

(2) by inserting ''a change in housing status that results in homelessness,'' after ''under section 487,''.

SEC. 7423. DEFINITIONS.

(a) DEFINITIONS.—Section 480 (20 U.S.C. 1087vv) is amended—

(1) in subsection (f)—

(A) in paragraph (1), by inserting ''qualified education benefits (except as provided in paragraph (3)),'' after ''tax shelters,''; and

(B) by adding at the end the following:

''(3) A qualified education benefit shall not be considered an asset of a student for purposes of section 475.

''(4) In determining the value of assets in a determination of need under this title (other than for subpart 4 of part A), the value of a qualified education benefit shall be—

''(A) the refund value of any tuition credits or certificates purchased under a qualified education benefit; and

''(B) in the case of a program in which contributions are made to an account that is established for the purpose of meeting the qualified higher education expenses of the designated beneficiary of the account, the current balance of such account.

''(5) In this subsection:

''(A) QUALIFIED EDUCATION BENEFIT.—The term 'qualified education benefit' means—

''(i) a qualified tuition program (as defined in section 529(b)(1)(A) of the Internal Revenue Code of 1986) or other prepaid tuition plan offered by a State; and

''(ii) a Coverdell education savings account (as defined in section 530(b)(1) of the Internal Revenue Code of 1986).

''(B) QUALIFIED HIGHER EDUCATION EXPENSES.—The term 'qualified higher education expenses' has the meaning given the term in section 529(e) of the Internal Revenue Code of 1986.''; and

(2) in subsection (j)—

(A) in the subsection heading, by striking ''; TUITION PREPAYMENT PLANS'';

(B) by striking paragraph (2);

(C) by redesignating paragraph (3) as paragraph (2); and

(D) by inserting after paragraph (2) (as redesignated by subparagraph (C)) the following paragraph:

''(3) Notwithstanding paragraph (1) and section 472, assistance not received under this title may be excluded from both estimated financial assistance and cost of attendance, if that assistance is designated by the State providing that assistance to offset a specific component of the cost of attendance. If that assistance is excluded from estimated financial assistance or cost of attendance, that assistance shall be excluded from both calculations.''.

(3) in subsection (d)—

(A) in paragraph (2), by striking ''is an orphan or ward of the court'' and inserting ''is an orphan, in foster care, or ward of the court or was in foster care'';

(B) in paragraph (6), by striking ''or'' after the semicolon;

(C) by redesignating paragraph (7) as paragraph (8); and

(D) by inserting after paragraph (6) the following:

''(7) has been verified as both a homeless child or youth and an unaccompanied youth, as such terms are defined in section 725 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11434a), during the school year in which the application for financial assistance is submitted, by—

''(A) a local educational agency liaison for homeless children and youths, as designated under section 722(g)(1)(J)(ii) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(g)(1)(J)(ii));

''(B) a director of a homeless shelter, transitional shelter, or independent living program; or

''(C) a financial aid administrator; or''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to determinations of need under part F of title IV for academic years beginning on or after July 1, 2006.

Subchapter G—General Provisions Relating to Student Assistance

SEC. 7431. DEFINITIONS.

Section 481 (20 U.S.C. 1088) is amended—

(1) in the second sentence of subsection (a)(2), by inserting ''and that measures program length in credit hours or clock hours'' after ''baccalaureate degree''; and

(2) in subsection (b), by adding at the end the following:

''(3) For purposes of this title, the term 'eligible program' includes an instructional program that utilizes direct assessment of student learning or recognizes the direct assessment of student learning by others, if such assessment is consistent with the accreditation of the institution or program utilizing the results of the assessment, in lieu of credit hours or clock hours as the measure of student learning. In the case of a program being determined eligible for the first time under this paragraph, such determination shall be made by the Secretary before such program is considered to be an eligible program.''.

SEC. 7432. COMPLIANCE CALENDAR.

Section 482 (20 U.S.C. 1089) is amended by adding at the end the following:

''(a) COMPLIANCE CALENDAR.—Prior to the beginning of each award year, the Secretary shall provide to institutions of higher education a list of all the reports and disclosures required under this Act. The list shall include—

''(1) the date each report or disclosure is required to be completed and to be submitted, made available, or disseminated;

''(2) the required recipients of each report or disclosure;

''(3) any required method for transmittal or dissemination of each report or disclosure;

''(4) a description of the content of each report or disclosure sufficient to allow the institution to identify the appropriate individuals to be assigned the responsibility for such report or disclosure;

''(5) references to the statutory authority, applicable regulations, and current guidance issued by the Secretary regarding each report or disclosure; and

''(6) any other information which is pertinent to the content or distribution of the report or disclosure.''.

SEC. 7433. FORMS AND REGULATIONS.

Section 483 (20 U.S.C. 1090) is amended—

(1) by striking subsections (a) and (b), and inserting the following:

''(a) COMMON FINANCIAL AID FORM DEVELOPMENT AND PROCESSING.—

''(1) IN GENERAL.—The Secretary, in cooperation with representatives of agencies and organizations involved in student financial assistance, shall produce, distribute, and process free of charge common financial reporting forms as described in this subsection to be used to determine the need and eligibility of a student for financial assistance under parts A through E of this title (other than under subpart 4 of part A). The forms shall be made available to applicants in both paper and electronic formats and shall be referred to (except as otherwise provided in this subsection) as the 'Free Application for Federal Student Aid', or 'FAFSA'.

''(2) PAPER FORMAT.—

''(A) IN GENERAL.—Subject to subparagraph (C), the Secretary shall produce, distribute, and process common forms in paper format to meet the requirements of paragraph (1). The Secretary shall develop a common paper form for applicants who do not meet the requirements of or do not wish to use the process described in subparagraph (B).

''(B) EZ FAFSA.—

''(i) IN GENERAL.—The Secretary shall develop and use a simplified paper application form, to be known as the 'EZ FAFSA', to be used for applicants meeting the requirements under section 479(c).

''(ii) REDUCED DATA REQUIREMENTS.—The EZ FAFSA shall permit an applicant to submit for purposes of determining financial need and eligibility, only the data elements required to make a determination of student eligibility and whether the applicant meets the requirements of section 479(c).

''(iii) STATE DATA.—The Secretary shall include on the EZ FAFSA such data items as may be necessary to award State financial assistance, as provided under paragraph (5), except the Secretary shall not include a State's data if that State does not permit its applicants for State assistance to use the EZ FAFSA.

''(iv) FREE AVAILABILITY AND PROCESSING.—The provisions of paragraph (6) shall apply to the EZ FAFSA, and the data collected by means of the EZ FAFSA shall be available to institutions of higher education, guaranty agencies, and States in accordance with paragraph (9).

''(v) TESTING.—The Secretary shall conduct appropriate field testing on the EZ FAFSA.

''(C) PHASING OUT THE FULL PAPER FORM FOR STUDENTS WHO DO NOT MEET THE REQUIREMENTS OF THE EZ FAFSA.—

''(i) IN GENERAL.—The Secretary shall make all efforts to encourage all applicants to utilize the electronic forms described in paragraph (3).

''(ii) PHASEOUT OF FULL PAPER FAFSA.—Not later than 5 years after the date of enactment of the Higher Education Amendments of 2005, to the extent practicable, the Secretary shall phase out the printing of the long paper form created under subparagraph (A) and used by applicants who do not meet the requirements of the EZ FAFSA described in subparagraph (B).

''(iii) AVAILABILITY OF FULL PAPER FAFSA.—

''(I) IN GENERAL.—Both prior to and after the phaseout described in clause (ii), the Secretary shall maintain on the Internet printable versions of the paper forms described in subparagraphs (A) and (B).

''(II) ACCESSIBILITY.—The printable versions described in subclause (I) shall be made easily accessible and downloadable to students on the same Web site used to provide students with the common electronic forms described in paragraph (3).

''(III) SUBMISSION OF FORMS.—The Secretary shall conduct a study to determine the feasibility of using downloaded forms to ensure sufficient quality to meet the processing requirements of this section. Following the completion of the study, the Secretary shall enable, to the extent practicable, students to submit a form described in this clause that is downloaded from the Internet and printed, in order to meet the filing requirements of this section and to receive financial assistance under this title.

''(iv) USE OF SAVINGS.—

''(I) IN GENERAL.—The Secretary shall utilize any realized savings accrued by phasing out the full paper FAFSA and moving more applicants to the common electronic forms, to improve access to the electronic forms for applicants meeting the requirements of section 479(c).

''(II) REPORT.—The Secretary shall report annually to the authorizing committees on—

''(aa) the steps taken to improve access to the common electronic forms for applicants meeting the requirements of section 479(c); and

''(bb) the phaseout of the long common paper form described in subparagraph (A).

''(3) ELECTRONIC FORMAT.—

''(A) IN GENERAL.—The Secretary shall produce, distribute, and process common forms in electronic format and make such forms available through a broadly accessible website to meet the requirements of paragraph (1). The Secretary shall develop common electronic forms for applicants who do not meet the requirements of subparagraph (B). The Secretary shall include on the common electronic forms space for information that needs to be submitted from the applicant to be eligible for State financial assistance, as provided under paragraph (5), except the Secretary shall not require applicants to complete data required by any State other than the applicant's State of residence. The Secretary shall use all available technology to ensure that a student using a common electronic form answers only the minimum number of questions necessary.

''(B) SIMPLIFIED ELECTRONIC APPLICATIONS.—

''(i) IN GENERAL.—The Secretary shall develop and use a simplified electronic application form to be used by applicants meeting the requirements of section 479(c) and an additional, separate simplified electronic application form to be used by applicants meeting the requirements under section 479(b).

''(ii) REDUCED DATA REQUIREMENTS.—The simplified electronic application forms shall permit an applicant to submit for purposes of determining financial need and eligibility, only the data elements required to make a determination of student eligibility and whether the applicant meets the requirements of subsection (b) or (c) of section 479.

''(iii) STATE DATA.—The Secretary shall include on the simplified electronic application forms such data items as may be necessary to award State financial assistance, as provided under paragraph (5), except the Secretary shall not require applicants to complete data required by any State other than the applicant's State of residence and shall not include a State's data if such State does not permit its applicants for State assistance to use the simplified electronic application form described in this subparagraph.

''(iv) FREE AVAILABILITY AND PROCESSING.—The provisions of paragraph (6) shall apply to the simplified electronic application forms, and the data collected by means of the simplified electronic application forms shall be available to institutions of higher education, guaranty agencies, and States in accordance with paragraph (9).

''(v) TESTING.—The Secretary shall conduct appropriate field testing on the forms developed under this subparagraph.

''(C) USE OF FORMS.—Nothing in this subsection shall be construed to prohibit the use of the forms developed by the Secretary pursuant to this paragraph by an eligible institution, eligible lender, a guaranty agency, a State grant agency, a private computer software provider, a consortium of such entities, or such other entity as the Secretary may designate. Data collected by the forms shall be used only for the application, award, and administration of aid awarded under this title, State aid, or aid awarded by eligible institutions or such entities as the Secretary may designate. No data collected by such electronic version of the forms shall be used for making final aid awards under this title until such data have been processed by the Secretary or a contractor or designee of the Secretary, except as may be permitted under this title.

''(D) PRIVACY.—The Secretary shall ensure that data collection under this paragraph complies with section 552a of title 5, United States Code, and that any entity using the electronic version of the forms developed by the Secretary pursuant to this paragraph shall maintain reasonable and appropriate administrative, technical, and physical safeguards to ensure the integrity and confidentiality of the information, and to protect against security threats, or unauthorized uses or disclosures of the information provided on the electronic version of the forms.

''(E) SIGNATURE.—Notwithstanding any other provision of this Act, the Secretary may permit an electronic form under this paragraph to be submitted without a signature, if a signature is subsequently submitted by the applicant or if the applicant uses a personal identification number provided by the Secretary under subparagraph (F).

''(F) PERSONAL IDENTIFICATION NUMBERS AUTHORIZED.—The Secretary is authorized to assign to applicants personal identification numbers—

''(i) to enable the applicants to use such numbers as a signature for purposes of completing a form under this paragraph; and

''(ii) for any purpose determined by the Secretary to enable the Secretary to carry out this title.

''(4) STREAMLINED REAPPLICATION PROCESS.—

''(A) IN GENERAL.—The Secretary shall develop streamlined reapplication forms and processes, including both paper and electronic reapplication processes, consistent with the requirements of this subsection, for an applicant who applies for financial assistance under this title in the next succeeding academic year subsequent to an academic year in which such applicant applied for financial assistance under this title.

''(B) MECHANISMS FOR REAPPLICATION.—The Secretary shall develop appropriate mechanisms to support reapplication.

''(C) IDENTIFICATION OF UPDATED DATA.—The Secretary shall determine, in cooperation with States, institutions of higher education, and agencies and organizations involved in student financial assistance, the data elements that can be updated from the previous academic year's application.

''(D) REDUCED DATA AUTHORIZED.—Nothing in this title shall be construed as limiting the authority of the Secretary to reduce the number of data elements required of reapplicants.

''(E) ZERO FAMILY CONTRIBUTION.—Applicants determined to have a zero family contribution pursuant to section 479(c) shall not be required to provide any financial data in a replication form, except that which is necessary to determine eligibility under such section.

''(5) STATE REQUIREMENTS.—

''(A) IN GENERAL.—Except as provided in paragraphs (2)(B)(iii), (3)(A), and (3)(B)(iii), the Secretary shall include on the forms developed under this subsection, such State-specific data items as the Secretary determines are necessary to meet State requirements for need-based State aid. Such items shall be selected in consultation with State agencies in order to assist in the awarding of State financial assistance in accordance with the terms of this subsection, except as provided in paragraphs (2)(B)(iii), (3)(A), and (3)(B)(iii). The number of such data items shall not be less than the number included on the form for the 2005–2006 award year unless a State notifies the Secretary that the State no longer requires those data items for the distribution of State need-based aid.

''(B) ANNUAL REVIEW.—The Secretary shall conduct an annual review process to determine which data items the States require to award need-based State aid.

''(C) ENCOURAGE USE OF FORMS.—The Secretary shall encourage States to take such steps as are necessary to encourage the use of simplified application forms, including those described in paragraphs (2)(B) and (3)(B), for applicants who meet the requirements of subsection (b) or (c) of section 479.

''(D) FEDERAL REGISTER NOTICE.—The Secretary shall publish, on an annual basis, a notice in the Federal Register requiring States to inform the Secretary—

''(i) if the State plans to use the FAFSA to collect data to determine eligibility for State need-based financial aid;

''(ii) of the State-specific data that the State requires for delivery of State need-based financial aid; and

''(iii) if the State agency is unable to permit applicants to utilize the simplified application forms described in paragraph (2)(B) or (3)(B).

''(E) STATE NOTIFICATION TO THE SECRETARY.—

''(i) IN GENERAL.—Each State agency shall notify the Secretary—

''(I) whether the State permits an applicant to file a form described in paragraph (2)(B) or (3)(B) for purposes of determining eligibility for State need-based financial aid; and

''(II) of the State-specific data that the State requires for delivery of State need-based financial aid.

''(ii) ACCEPTANCE OF FORMS.—If a State does not permit an applicant to file a form described in paragraph (2)(B) or (3)(B) for purposes of determining eligibility for State need-based financial aid, then the State shall notify the Secretary if it is not permitted to do so because of State law or agency policy. The notification shall include an acknowledgment that State-specific questions will not be included on a form described in paragraph (2)(B) or (3)(B).

''(iii) LACK OF NOTIFICATION BY THE STATE.—If a State does not notify the Secretary pursuant to clause (i), the Secretary shall—

''(I) permit residents of that State to complete simplified application forms under paragraphs (2)(B) and (3)(B); and

''(II) not require any resident of such State to complete any data previously required by that State under this section.

''(F) RESTRICTION.—The Secretary shall not require applicants to complete any financial or non-financial data that are not required by the applicant's State, except as may be required for applicants who use the paper forms described in subparagraphs (A) and (B) of paragraph (2).

''(6) CHARGES TO STUDENTS AND PARENTS FOR USE OF FORMS PROHIBITED.—The common financial reporting forms prescribed by the Secretary under this subsection shall be produced, distributed, and processed by the Secretary, and no parent or student shall be charged a fee by the Secretary, a contractor, a third-party servicer or private software provider, or any other public or private entity for the collection, processing, or delivery of financial aid through the use of such forms. The need and eligibility of a student for financial assistance under parts A through E (other than under subpart 4 of part A) may be determined only by using a form developed by the Secretary pursuant to this subsection. No student may receive financial assistance under parts A through E (other than under subpart 4 of part A), except by use of a form developed by the Secretary pursuant to this subsection. No data collected on a paper or electronic form or other document that the Secretary determines was created to replace a form prescribed under this subsection and therefore violates the integrity of a simplified and free financial aid application process and for which a fee is charged shall be used to complete the form prescribed under this subsection. No person, commercial entity, or other entity shall request, obtain, or utilize an applicant's personal identification number assigned under paragraph (3)(F) for purposes of submitting an application on an applicant's behalf.

''(7) APPLICATION PROCESSING CYCLE.—The Secretary shall—

''(A) enable students to submit forms created under this subsection in order to meet the filing requirements of this section and in order to receive financial assistance from programs under this title; and

''(B) enable students to submit forms created under this subsection and initiate the processing of such forms under this subsection, as early as practicable prior to January 1 of the student's planned year of enrollment.

''(8) EARLY ESTIMATES.—The Secretary shall permit an applicant to complete a form described in this subsection in the years prior to enrollment in order to obtain from the Secretary a nonbinding estimate of the applicant's expected family contribution, as defined in section 473. Such applicant shall be permitted to update information submitted on a form described in this subsection using the process required under paragraph (4).

''(9) DISTRIBUTION OF DATA.—Institutions of higher education, guaranty agencies, and States shall receive, without charge, the data collected by the Secretary using the form developed pursuant to this subsection for the purposes of processing loan applications and determining need and eligibility for institutional and State financial aid awards. Entities designated by institutions of higher education, guaranty agencies, or States to receive such data shall be subject to all the requirements of this section, unless such requirements are waived by the Secretary.

''(10) THIRD PARTY SERVICERS AND PRIVATE SOFTWARE PROVIDERS.—To the extent practicable and in a timely manner, the Secretary shall provide, to private organizations and consortia that develop software used by institutions of higher education for the administration of funds under this title, all the necessary specifications that the organizations and consortia must meet for the software the organizations and consortia develop, produce, and distribute (including any diskette, modem, or network communications) which are so used. The specifications shall contain record layouts for required data. The Secretary shall develop in advance of each processing cycle an annual schedule for providing such specifications. The Secretary, to the extent practicable, shall use means of providing such specifications, including conferences and other meetings, outreach, and technical support mechanisms (such as training and printed reference materials). The Secretary shall, from time to time, solicit from such organizations and consortia means of improving the support provided by the Secretary.

''(11) PARENT'S SOCIAL SECURITY NUMBER AND BIRTH DATE.—The Secretary is authorized to include on the form developed under this subsection space for the social security number and birth date of parents of dependent students seeking financial assistance under this title.'';

(2) by redesignating subsections (c) through (e) as subsections (b) through (d), respectively;

(3) in subsection (c) (as redesignated by paragraph (2)), by striking ''that is authorized'' and all that follows through the period at the end and inserting ''or other appropriate provider of technical assistance and information on postsecondary educational services that is authorized under section 663(a) of the Individuals with Disabilities Education Act. Not later than 2 years after the date of enactment of the Higher Education Amendments of 2005, the Secretary shall test and implement, to the extent practicable, a toll-free telephone based system to permit applicants who meet the requirements of 479(c) to submit an application over such system.''; and

(4) by striking subsection (d) (as redesignated by paragraph (2)) and inserting the following:

''(d) ASSISTANCE IN PREPARATION OF FINANCIAL AID APPLICATION.—

''(1) PREPARATION AUTHORIZED.—Notwithstanding any provision of this Act, an applicant may use a preparer for consultative or preparation services for the completion of the common financial reporting forms described in subsection (a) if the preparer satisfies the requirements of this subsection.

''(2) PREPARER IDENTIFICATION.—Any common financial reporting form required to be made under this title shall include the name, signature, address or employer's address, social security number or employer identification number, and organizational affiliation of the preparer of such common financial reporting form.

''(3) ADDITIONAL REQUIREMENTS.—A preparer that provides consultative or preparation services pursuant to this subsection shall—

''(A) clearly inform individuals upon initial contact (including advertising in clear and conspicuous language on the website of the preparer, including by providing a link directly to the website described in subsection (a)(3), if the preparer provides such services through a website) that the common financial reporting forms that are required to determine eligibility for financial assistance under parts A through E (other than subpart 4 of part A) may be completed for free via paper or electronic forms provided by the Secretary;

''(B) refrain from producing or disseminating any form other than the forms produced by the Secretary under subsection (a); and

''(C) not charge any fee to any individual seeking such services who meets the requirements of subsection (b) or (c) of section 479.

''(4) SPECIAL RULE.—Nothing in this Act shall be construed to limit preparers of the common financial reporting forms required to be made under this title who meet the requirements of this subsection from collecting source information from a student or parent, including Internal Revenue Service tax forms, in providing consultative and preparation services in completing the forms.''.

SEC. 7434. STUDENT ELIGIBILITY.

Section 484 (20 U.S.C. 1091) is amended—

(1) in subsection (d), by adding at the end the following:

''(4) The student shall be determined by the institution of higher education as having the ability to benefit from the education or training offered by the institution of higher education, upon satisfactory completion of 6 credit hours or the equivalent coursework that are applicable toward a degree or certificate offered by the institution of higher education.'';

(2) by striking subsection (l) and inserting the following:

''(l) COURSES OFFERED THROUGH DISTANCE EDUCATION.—

''(1) RELATION TO CORRESPONDENCE COURSES.—

''(A) IN GENERAL.—A student enrolled in a course of instruction at an institution of higher education that is offered principally through distance education and leads to a recognized certificate, or associate, baccalaureate, or graduate degree, conferred by such institution, shall not be considered to be enrolled in correspondence courses.

''(B) EXCEPTION.—An institution of higher education referred to in subparagraph (A) shall not include an institution or school described in section 3(3)(C) of the Carl D. Perkins Vocational and Technical Education Act of 1998.

''(2) RESTRICTION OR REDUCTIONS OF FINANCIAL AID.—A student's eligibility to receive grants, loans, or work assistance under this title shall be reduced if a financial aid officer determines under the discretionary authority provided in section 479A that distance education results in a substantially reduced cost of attendance to such student.

''(3) SPECIAL RULE.—For award years prior to the date of enactment of this subsection, the Secretary shall not take any compliance, disallowance, penalty, or other action against a student or an eligible institution when such action arises out of such institution's prior award of student assistance under this title if the institution demonstrates to the satisfaction of the Secretary that its course of instruction would have been in conformance with the requirements of this subsection.

''(4) DEFINITION.—In this subsection, the term 'distance education' has the meaning given the term in section 102.''; and

(3) in subsection (r)—

(A) in the matter preceding the table, by inserting ''of a controlled substance, while such student is enrolled in an institution of higher education and receiving financial assistance under this title,'' after ''the possession'';

(B) in the column heading of the first table, by inserting ''**while the student is enrolled in an institution of higher education and receiving financial assistance under this title**'' after ''**possession of a controlled substance**''; and

(C) by redesignating paragraph (3) as paragraph (4); and

(D) by inserting after paragraph (2) the following:

''(2) INTERACTION WITH FAFSA.—The Secretary shall not require a student to provide information regarding the student's possession of a controlled substance on the Free Application for Federal Student Aid described in section 483(a).''.

SEC. 7435. STATUTE OF LIMITATIONS AND STATE COURT JUDGMENTS.

Section 484A (20 U.S.C. 1091a) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''and'' after the semicolon;

(B) in paragraph (2), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(3) in collecting any obligation arising from a loan made under part E of this title, an institution of higher education that has an agreement with the Secretary pursuant to section 463(a) shall not be subject to a defense raised by any borrower based on a claim of infancy.''; and

(2) by adding at the end the following:

''(d) SPECIAL RULE.—This section shall not apply in the case of a student who is deceased or to a deceased student's estate or the estate of such student's family. If a student is deceased, then the student's estate or the estate of the student's family shall not be required to repay any financial assistance under this title , including interest paid on the student's behalf, collection costs, or other charges specified in this title.''.

SEC. 7436. INSTITUTIONAL REFUNDS.

Section 484B (20 U.S.C. 1091B) is amended—

(1) in subsection (a)—

(A) in the matter preceding clause (i) of paragraph (2)(A), by striking ''a leave of'' and inserting ''1 or more leaves of''; and

(B) in paragraph (3)(C)(i), by striking ''grant or loan assistance under this title'' and inserting ''grant assistance under subparts 1 and 3 of part A, or loan assistance under parts B, D, and E,'';

(2) in subsection (b), by adding at the end the following:

''(4) TIME FRAME.—Not later than 45 days after the date of an institution's determination that a student withdrew from the institution, the institution shall—

''(A) return the amount required under paragraph (1);

''(B) notify the student of the applicable requirements regarding the overpayment of grant and loan assistance and

''(C) notify the student of the student's eligibility for post-withdrawal disbursements.'';

(3) in subsection (c)(2), by striking ''may determine the appropriate withdrawal date.'' and inserting ''may determine—

(A) the appropriate withdrawal date; and

''(B) that the requirements of this section do not apply to the student.''; and

(4) in subsection (d)(2), by striking ''clock hours—'' and all that follows through the period and inserting ''clock hours scheduled to be completed by the student in that period as of the day the student withdrew.''.

SEC. 7437. INSTITUTIONAL AND FINANCIAL ASSISTANCE FOR STUDENTS.

Section 485 (20 U.S.C. 1092) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in subparagraph (N), by striking ''and'' after the semicolon;

(ii) in subparagraph (O), by striking the period and inserting a semicolon; and

(iii) by adding at the end the following:

''(P) student body diversity at the institution, including information on the percentage of enrolled, full-time students who are—

''(i) male;

''(ii) female;

''(iii) from a low-income background; and

''(iv) a self-identified member of a major racial or ethnic group;

''(Q) the placement in employment of, and types of employment obtained by, graduates of the institution's degree or certificate programs, gathered from such sources as alumni surveys, student satisfaction surveys, the National Survey of Student Engagement, the Community College Survey of Student Engagement, State data systems, or other relevant sources; and

''(R) the types of graduate and professional education in which graduates of the institution's 4-year degree programs enrolled, gathered from such sources as alumni surveys, student satisfaction surveys, the National Survey of Student Engagement, State data systems, or other relevant sources.'';

(B) by striking paragraph (4) and inserting the following:

''(4) For purposes of this section, institutions may—

''(A) exclude from the information disclosed in accordance with subparagraph (L) of paragraph (1) the completion or graduation rates of students who leave school to serve in the Armed Forces, on official church missions, or with a recognized foreign aid service of the Federal Government; or

''(B) in cases where the students described in subparagraph (A) represent 20 percent or more of the certificate- or degree-seeking, full-time, undergraduate students at the institution, the institution may recalculate the completion or graduation rates of such students by excluding from the calculation described in paragraph (3) the time period such students were not enrolled due to their service in the Armed Forces, on official church missions, or with a recognized foreign aid service of the Federal Government.''; and

(C) by adding at the end the following:

''(7) The information disclosed under subparagraph (L) of paragraph (1), or reported under subsection (e), shall include information disaggregated by gender, by each major racial and ethnic subgroup, and by low-income background status as measured by Federal Pell Grant eligibility, if the number of students in such subgroup or with such status is sufficient to yield statistically reliable information and reporting would not reveal personally identifiable information about an individual student. If such number is not sufficient for such purposes, then the institution shall note that the institution enrolled too few of such students to so disclose or report with confidence and confidentiality.'';

(2) in subsection (b), by adding at the end the following:

''(3) Each eligible institution shall, during the exit interview required by this subsection, provide to a borrower of a loan made under part B, D, or E a clear and conspicuous notice describing the general effects of using a consolidation loan to discharge the borrower's student loans, including—

''(A) the effects of consolidation on total interest to be paid, fees to be paid, and length of repayment;

''(B) the effects of consolidation on a borrower's underlying loan benefits, including loan forgiveness, cancellation, and deferment;

''(C) the ability for the borrower to prepay the loan, pay on a shorter schedule, and to change repayment plans, and that borrower benefit programs may vary among different loan holders;

''(D) the tax benefits for which the borrower may be eligible; and

''(E) the consequences of default.'';

(3) in subsection (d)(2)—

(A) by inserting ''grant assistance, as well as State'' after ''describing State''; and

(B) by inserting ''and other means, including through the Internet'' before the period at the end;

(4) in subsection (e), by striking paragraph (3) and inserting the following:

''(3) For purposes of this subsection, institutions may—

''(A) exclude from the reporting requirements under paragraphs (1) and (2) the completion or graduation rates of students and student athletes who leave school to serve in the Armed Forces, on official church missions, or with a recognized foreign aid service of the Federal Government; or

''(B) in cases where the students described in subparagraph (A) represent 20 percent or more of the certificate- or degree-seeking, full-time, undergraduate students at the institution, the institution may calculate the completion or graduation rates of such students by excluding from the calculations described in paragraph (1) the time period such students were not enrolled due to their service in the Armed Forces, on official church missions, or with a recognized foreign aid service of the Federal Government.'';

(5) in the matter preceding subparagraph (A) of subsection (f)(1), by inserting '', other than a foreign institution of higher education,'' after ''under this title''; and

(6) by adding at the end the following:

''(h) TRANSFER OF CREDIT POLICIES.—

''(1) DISCLOSURE.—Each institution of higher education participating in any program under this title shall publicly disclose in a readable and comprehensible manner the institution's transfer of credit policies which shall include a statement of the institution's current transfer of credit policies that includes, at a minimum—

''(A) a statement that transfer of credit shall not be denied solely on the basis of the agency or association that accredited such other institution of higher education, if that agency or association is recognized by the Secretary pursuant to section 496 to be a reliable authority as to the quality of the education or training offered;

''(B) a list of institutions of higher education with which the institution has established an articulation agreement; and

''(C) the percentage of students at the institution who successfully transfer academic credits, updated on an annual basis.

''(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to—

''(A) authorize an officer or employee of the Department to exercise any direction, supervision, or control over the curriculum,

program of instruction, administration, or personnel of any institution of higher education, or over any accrediting agency or association;

''(B) limit the application of the General Education Provisions Act; or

''(C) create any legally enforceable right on the part of a student to require an institution of higher education to accept a transfer of credit from another institution.''.

SEC. 7438. NATIONAL STUDENT LOAN DATA SYSTEM.

Section 485B(a) (20 U.S.C. 1092b(a)) is amended—

(1) by redesignating paragraphs (6) through (10) as paragraphs (7) through (11), respectively;

(2) in paragraph (5) (as added by Public Law 101–610), by striking ''effectiveness.'' and inserting ''effectiveness;''; and

(3) by redesignating paragraph (5) (as added by Public Law 101–234) as paragraph (6).

SEC. 7439. EARLY AWARENESS OF FINANCIAL AID ELIGIBILITY.

Part G of title IV (20 U.S.C. 1088 et seq.) is amended by inserting after section 485C (20 U.S.C. 1092c) the following:

''SEC. 485D. EARLY AWARENESS OF FINANCIAL AID ELIGIBILITY.

''(a) IN GENERAL.—The Secretary shall implement, in cooperation with States, institutions of higher education, secondary schools, middle schools, early intervention and outreach programs under this title, other agencies and organizations involved in student financial assistance and college access, public libraries, community centers, employers, and businesses, a comprehensive system of early financial aid information in order to provide students and families with early information about financial aid and early estimates of such students' eligibility for financial aid from multiple sources. Such system shall include the activities described in subsections (b) and (c).

''(b) COMMUNICATION OF AVAILABILITY OF AID AND AID ELIGIBILITY.—

''(1) STUDENTS WHO RECEIVE BENEFITS.—The Secretary shall—

''(A) make special efforts to notify students who receive or are eligible to receive benefits under Federal means-tested benefit programs (including the school lunch program established under the Richard B. Russell National School Lunch Act (42 U.S.C. 1751 et seq.), the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), and other such programs as determined by the Secretary) of such students' potential eligibility for a maximum Federal Pell Grant under subpart 1 of part A; and

''(B) disseminate such informational materials as the Secretary determines necessary.

''(2) MIDDLE SCHOOL STUDENTS.—The Secretary, in cooperation with States, institutions of higher education, other organizations involved in college access and student financial aid, middle schools, and programs under this title that serve middle school students, shall make special efforts to notify students and their parents of the availability of financial aid under this title and, in accordance with subsection (c), shall provide nonbinding estimates of grant and loan aid that an individual may be eligible for under this title upon completion of an application form under section 483(a). The Secretary shall ensure that such information is as accurate as possible and that such information is provided in an age-appropriate format using dissemination mechanisms suitable for students in middle school.

''(3) SECONDARY SCHOOL STUDENTS.—The Secretary, in cooperation with States, institutions of higher education, other organizations involved in college access and student financial aid, secondary schools, and programs under this title that serve secondary school students, shall make special efforts to notify students in secondary school and their parents, as early as possible but not later than such students' junior year of secondary school, of the availability of financial aid under this title and, in accordance with subsection (c), shall provide nonbinding estimates of the amounts of grant and loan aid that an individual may be eligible for under this title upon completion of an application form under section 483(a). The Secretary shall ensure that such information is as accurate as possible and that such information is provided in an age-appropriate format using dissemination mechanisms suitable for students in secondary school.

''(4) ADULT LEARNERS.—The Secretary, in cooperation with States, institutions of higher education, other organizations involved in college access and student financial aid, employers, workforce investment boards and public libraries, shall make special efforts to provide individuals who would qualify as independent students, as defined in section 480(d), with information regarding the availability of financial aid under this title and, in accordance with subsection (c), with nonbinding estimates of the amounts of grant and loan aid that an individual may be eligible for under this title upon completion of an application form under section 483(a). The Secretary shall ensure that such information—

''(A) is as accurate as possible;

''(B) includes specific information regarding the availability of financial aid for students qualified as independent students, as defined in section 480(d); and

''(C) uses dissemination mechanisms suitable for adult learners.

''(5) PUBLIC AWARENESS CAMPAIGN.—Not later than 2 years after the date of enactment of the Higher Education Amendments of 2005, the Secretary, in coordination with States, institutions of higher education, early intervention and outreach programs under this title, other agencies and organizations involved in student financial aid, local educational agencies, public libraries, community centers, businesses, employers, employment services, workforce investment boards, and movie theaters, shall implement a public awareness campaign in order to increase national awareness regarding the availability of financial aid under this title. The public awareness campaign shall disseminate accurate information regarding the availability of financial aid under this title and shall be implemented, to the extent practicable, using a variety of media, including print, television, radio and the Internet. The Secretary shall design and implement the public awareness campaign based upon relevant independent research and the information and dissemination strategies found most effective in implementing paragraphs (1) through (4).

''(c) AVAILABILITY OF NONBINDING ESTIMATES OF FEDERAL FINANCIAL AID ELIGIBILITY.—

''(1) IN GENERAL.—The Secretary, in cooperation with States, institutions of higher education, and other agencies and organizations involved in student financial aid, shall provide, via a printed form and the Internet or other electronic means, the capability for individuals to determine easily, by entering relevant data, nonbinding estimates of amounts of grant and loan aid an individual may be eligible for under this title upon completion and processing of an application and enrollment in an institution of higher education.

''(2) DATA ELEMENTS.—The Secretary, in cooperation with States, institutions of higher education, and other agencies and organizations involved in student financial aid, shall determine the data elements that are necessary to create a simplified form that individuals can use to obtain easily nonbinding estimates of the amounts of grant and loan aid an individual may be eligible for under this title.

''(3) QUALIFICATION TO USE SIMPLIFIED APPLICATION.—The capability provided under this paragraph shall include the capability to determine whether the individual is eligible to submit a simplified application form under paragraph (2)(B) or (3)(B) of section 483(a).''.

SEC. 7440. COLLEGE ACCESS INITIATIVE.

Part G of title IV (20 U.S.C. 1088 et seq.) is further amended by inserting after section 485D (as added by section 7439) the following:

''SEC. 485E. COLLEGE ACCESS INITIATIVE.

''(a) STATE-BY-STATE INFORMATION.—The Secretary shall direct each guaranty agency with which the Secretary has an agreement under section 428(c) to provide to the Secretary the information necessary for the development of Internet Web links and access for students and families to a comprehensive listing of the postsecondary education opportunities programs, publications, Internet Web sites, and other services available in the States for which such agency serves as the designated guarantor.

''(b) GUARANTY AGENCY ACTIVITIES.—

''(1) PLAN AND ACTIVITY REQUIRED.—Each guaranty agency with which the Secretary has an agreement under section 428(c) shall develop a plan, and undertake the activity, necessary to gather the information required under subsection (a) and to make such information available to the public and to the Secretary in a form and manner prescribed by the Secretary.

''(2) ACTIVITIES.—Each guaranty agency shall undertake such activities as are necessary to promote access to postsecondary education for students through providing information on college planning, career preparation, and paying for college. The guaranty agency shall publicize such information and coordinate such activities with other entities that provide or distribute such information in the States for which such guaranty agency serves as the designated guarantor.

''(3) FUNDING.—The activities required by this section may be funded from the guaranty agency's Operating Fund established pursuant to section 422B and to the extent funds remain, from earnings on the restricted account established pursuant to section 422(h)(4).

''(4) RULE OF CONSTRUCTION.—Nothing in this subsection shall require a guaranty agency to duplicate any efforts currently underway that meet the requirements of this subsection.

''(c) ACCESS TO INFORMATION.—

''(1) SECRETARY'S RESPONSIBILITY.—The Secretary shall ensure the availability of the information provided, by the guaranty agencies in accordance with this section, to students, parents, and other interested individuals, through Web links or other methods prescribed by the Secretary.

''(2) GUARANTY AGENCY RESPONSIBILITY.—The guaranty agencies shall ensure that the information required by this section is available without charge in printed format for students and parents requesting such information.

''(3) PUBLICITY.—Not later than 270 days after the date of enactment of the Higher Education Amendments Act of 2005, the Secretary and guaranty agencies shall publicize the availability of the information required

by this section, with special emphasis on ensuring that populations that are traditionally underrepresented in postsecondary education are made aware of the availability of such information.''.

SEC. 7441. PROGRAM PARTICIPATION AGREEMENTS.

Section 487 (20 U.S.C. 1094) is amended—

(1) in subsection (a)—

(A) in paragraph (23), by adding at the end the following:

''(D) An institution shall be considered in compliance with the requirements of subparagraph (A) for any student to whom the institution electronically transmits a message containing a voter registration form acceptable for use in the State in which the institution is located, or an Internet address where such a form can be downloaded, if such information is in an electronic message devoted solely to voter registration.''; and

(B) by adding at the end the following:

''(24) The institution will, as calculated in accordance with subsection (g)(1), have not less than 10 percent of its revenues from sources other than funds provided under this title, or will be subject to the sanctions described in subsection (g)(2).'';

(2) in subsection (c)(1)(A)(i), by inserting '', except that the Secretary may modify the requirements of this clause with regard to an institution outside the United States'' before the semicolon at the end;

(3) by redesignating subsections (d) and (e) as subsection (e) and (f), respectively;

(4) by inserting after subsection (c) the following:

''(d) INSTITUTIONAL REQUIREMENTS FOR TEACH-OUTS.—

''(1) IN GENERAL.—In the event the Secretary initiates the limitation, suspension, or termination of the participation of an institution of higher education in any program under this title under the authority of subsection (c)(1)(F) or initiates an emergency action for termination under the authority of subsection (c)(1)(G) and its prescribed regulations, the Secretary shall require that institution to prepare a teach-out plan for submission to the institution's accrediting agency or association in compliance with section 496(c)(4), the Secretary's regulations on teach-out plans, and the standards of the institution's accrediting agency or association.

''(2) TEACH-OUT PLAN DEFINED.—In this subsection, the term 'teach-out plan' means a written plan that provides for the equitable treatment of students if an institution of higher education ceases to operate before all students have completed their program of study, and may include, if required by the institution's accrediting agency or association, an agreement between institutions for such a teach-out plan.''; and

(5) by adding at the end the following:

''(g) IMPLEMENTATION OF NONTITLE IV REVENUE REQUIREMENT.—

''(1) CALCULATION.—In carrying out subsection (a)(24), an institution shall use the cash basis of accounting and count the following funds as from sources of funds other than funds provided under this title:

''(A) Funds used by students from sources other than funds received under this title to pay tuition, fees, and other institutional charges to the institution, provided the institution can reasonably demonstrate that such funds were used for such purposes.

''(B) Funds used by the institution to satisfy matching-fund requirements for programs under this title.

''(C) Funds used by a student from savings plans for educational expenses established by or on behalf of the student and which qualify for special tax treatment under the Internal Revenue Code of 1986.

''(D) Funds paid by a student, or on behalf of a student by a party other than the institution, to the institution for an education or training program that is not eligible for funds under this title, provided that the program is approved or licensed by the appropriate State agency or an accrediting agency recognized by the Secretary.

''(E) Funds generated by the institution from institutional activities that are necessary for the education and training of the institution's students, if such activities are—

''(i) conducted on campus or at a facility under the control of the institution;

''(ii) performed under the supervision of a member of the institution's faculty; and

''(iii) required to be performed by all students in a specific educational program at the institution.

''(F) Institutional aid, as follows:

''(i) In the case of loans made by the institution, only the amount of loan repayments received by the institution during the fiscal year for which the determination is made.

''(ii) In the case of scholarships provided by the institution, only those scholarship funds provided by the institution that are—

''(I) in the form of monetary aid based upon the academic achievements or financial need of students; and

''(II) disbursed during the fiscal year for which the determination is made from an established restricted account and only to the extent that the funds in that account represent designated funds from an outside source or income earned on those funds.

''(iii) In the case of tuition discounts, only those tuition discounts based upon the academic achievement or financial need of students.

''(2) SANCTIONS.—

''(A) FAILURE TO MEET REQUIREMENT FOR 1 YEAR.—In addition to such other means of enforcing the requirements of this title as may be available to the Secretary, if an institution fails to meet the requirements of subsection (a)(24) in any year, the Secretary may impose 1 or both of the following sanctions on the institution:

''(i) Place the institution on provisional certification in accordance with section 498(h) until the institution demonstrates, to the satisfaction of the Secretary, that it is in compliance with subsection (a)(24).

''(ii) Require such other increased monitoring and reporting requirements as the Secretary determines necessary until the institution demonstrates, to the satisfaction of the Secretary, that it is in compliance with subsection (a)(24).

''(B) FAILURE TO MEET REQUIREMENT FOR 2 YEARS.—An institution that fails to meet the requirements of subsection (a)(24) for 2 consecutive years shall be ineligible to participate in the programs authorized under this title.

''(3) PUBLIC AVAILABILITY OF INFORMATION.—The Secretary shall make publicly available, through the means described in subsection (b) of section 131, any institution that fails to meet the requirements of subsection (a)(24) in any year as an institution that is failing to meet the minimum non-Federal source of revenue requirements of such subsection (a)(24).''.

SEC. 7442. REGULATORY RELIEF AND IMPROVEMENT.

Section 487A(b) (20 U.S.C. 1094a(b)) is amended—

(1) in paragraph (1)–

(A) by striking ''1998'' and inserting ''2005'' ; and

(B) by striking ''1999'' and inserting ''2006''; and

(2) by striking the matter preceding paragraph (2)(A) and inserting the following:

''(2) REPORT.—The Secretary shall review and evaluate the experience of institutions participating as experimental sites and shall, on a biennial basis, submit a report based on the review and evaluation to the authorizing committees. Such report shall include—''; and

(3) in paragraph (3)—

(A) in subparagraph (A)—

(i) by striking ''Upon the submission of the report required by paragraph (2), the'' and inserting ''The''; and

(ii) by inserting ''periodically'' after ''authorized to'';

(B) by striking subparagraph (B);

(C) by redesignating subparagraph (C) as subparagraph (B); and

(D) in subparagraph (B) (as redesignated by subparagraph (C))—

(i) by inserting '', including requirements related to the award process and disbursement of student financial aid (such as innovative delivery systems for modular or compressed courses, or other innovative systems), verification of student financial aid application data, entrance and exit interviews, or other management procedures or processes as determined in the negotiated rulemaking process under section 492,'' after ''requirements in this title''; and

(ii) by inserting ''(other than an award rule related to an experiment in modular or compressed schedules)'' after ''award rules''; and

(iii) by inserting ''unless the waiver of such provisions is authorized by another provision under this title'' before the period at the end.

SEC. 7443. TRANSFER OF ALLOTMENTS.

Section 488 (20 U.S.C. 1095) is amended in the first sentence—

(1) in paragraph (1), by striking ''and'' after the semicolon;

(2) in paragraph (2), by striking ''413D.'' and inserting ''413D; and''; and

(3) by adding at the end ''(3) transfer 25 percent of the institution's allotment under section 413D to the institution's allotment under section 442.''.

SEC. 7444. WAGE GARNISHMENT REQUIREMENT.

Section 488A(a)(1) (20 U.S.C. 1095a(a)(1)) is amended by striking ''10 percent'' and inserting ''15 percent''.

SEC. 7445. PURPOSE OF ADMINISTRATIVE PAYMENTS.

Section 489(b) (20 U.S.C. 1096(b)) is amended by striking ''offsetting the administrative costs of'' and inserting ''administering''.

SEC. 7446. ADVISORY COMMITTEE ON STUDENT FINANCIAL ASSISTANCE.

Section 491 (20 U.S.C. 1098) is amended—

(1) in subsection (a)(2)—

(A) in subparagraph (B), by striking ''and'' after the semicolon;

(B) in subparagraph (C), by striking the period and inserting a semicolon; and

(C) by adding at the end the following:

''(D) to provide knowledge and understanding of early intervention programs, and to make recommendations that will result in early awareness by low- and moderate-income students and families—

''(i) of their eligibility for assistance under this title; and

''(ii) to the extent practicable, of their eligibility for other forms of State and institutional need-based student assistance; and

''(E) to make recommendations that will expand and improve partnerships among the Federal Government, States, institutions of higher education, and private entities to increase the awareness and the total amount of need-based student assistance available to low- and moderate-income students.'';

(2) in subsection (c), by adding at the end the following:

''(3) The appointment of a member under subparagraph (A) or (B) of paragraph (1) shall be effective upon confirmation of the member by the Senate and publication of such appointment in the Congressional Record.''.

(3) in subsection (d)(6), by striking '', but nothing'' and all that follows through ''or analyses'';

(4) in subsection (j)—

(A) in paragraph (1)—

(i) by inserting ''and simplification'' after ''modernization'' each place the term appears; and

(ii) by striking ''including'' and all that follows through ''Department,''; and

(B) by striking paragraphs (4) and (5) and inserting the following:

''(4) conduct a review and analysis of regulations in accordance with subsection (l); and

''(5) conduct a study in accordance with subsection (m).'';

(5) in subsection (k), by striking ''2004'' and inserting ''2010''; and

(6) by adding at the end the following:

''(l) REVIEW AND ANALYSIS OF REGULATIONS.—

''(1) RECOMMENDATIONS.—The Advisory Committee shall make recommendations to the Secretary and Congress for consideration of future legislative action regarding redundant or outdated regulations under this title, consistent with the Secretary's requirements under section 498B.

''(2) REVIEW AND ANALYSIS OF REGULATIONS.—The Advisory Committee shall conduct a review and analysis of the regulations issued under this title that are in effect at the time of the review and that apply to the operations or activities of participants in the programs assisted under this title. The review and analysis may include a determination of whether the regulation is duplicative, is no longer necessary, is inconsistent with other Federal requirements, or is overly burdensome. In conducting the review, the Advisory Committee shall pay specific attention to evaluating ways in which regulations under this title affecting institutions of higher education (other than institutions described in section 102(a)(1)(C)), that have received in each of the 2 most recent award years prior to the date of enactment of the Higher Education Amendments of 2005 less than $200,000 in funds through this title, may be improved, streamlined, or eliminated.

''(3) CONSULTATION.—

''(A) IN GENERAL.—In carrying out the review and analysis under paragraph (2), the Advisory Committee shall consult with the Secretary, relevant representatives of institutions of higher education, and individuals who have expertise and experience with the regulations issued under this title, in accordance with subparagraph (B).

''(B) REVIEW PANELS.—The Advisory Committee shall convene not less than 2 review panels of representatives of the groups involved in student financial assistance programs under this title who have experience and expertise in the regulations issued under this title to review the regulations under this title, and to provide recommendations to the Advisory Committee with respect to the review and analysis under paragraph (2). The panels shall be made up of experts in areas such as the operations of the financial assistance programs, the institutional eligibility requirements for the financial assistance programs, regulations not directly related to the operations or the institutional eligibility requirements of the financial assistance programs, and regulations for dissemination of information to students about the financial assistance programs.

''(4) REPORTS TO CONGRESS.—The Advisory Committee shall submit, not later than 2 years after the completion of the negotiated rulemaking process required under section 492 resulting from the amendments to this Act made by the Higher Education Amendments of 2005, a report to the authorizing committees and the Secretary detailing the expert panels' findings and recommendations with respect to the review and analysis under paragraph (2).

''(5) ADDITIONAL SUPPORT.—The Secretary and the Inspector General of the Department shall provide such assistance and resources to the Advisory Committee as the Secretary and Inspector General determine are necessary to conduct the review required by this subsection.

''(m) STUDY OF INNOVATIVE PATHWAYS TO BACCALAUREATE DEGREE ATTAINMENT.—

''(1) STUDY REQUIRED.—The Advisory Committee shall conduct a study of the feasibility of increasing baccalaureate degree attainment rates by reducing the costs and financial barriers to attaining a baccalaureate degree through innovative programs.

''(2) SCOPE OF STUDY.—The Advisory Committee shall examine new and existing programs that promote baccalaureate degree attainment through innovative ways, such as dual or concurrent enrollment programs, changes made to the Federal Pell Grant program, simplification of the needs analysis process, compressed or modular scheduling, articulation agreements, and programs that allow 2-year institutions of higher education to offer baccalaureate degrees.

''(3) REQUIRED ASPECTS OF THE STUDY.—In performing the study described in this subsection, the Advisory Committee shall examine the following aspects of such innovative programs:

''(A) The impact of such programs on baccalaureate attainment rates.

''(B) The degree to which a student's total cost of attaining a baccalaureate degree can be reduced by such programs.

''(C) The ways in which low- and moderate-income students can be specifically targeted by such programs.

''(D) The ways in which nontraditional students can be specifically targeted by such programs.

''(E) The cost-effectiveness for the Federal Government, States, and institutions of higher education to implement such programs.

''(4) CONSULTATION.—

''(A) IN GENERAL.—In performing the study described in this subsection the Advisory Committee shall consult with a broad range of interested parties in higher education, including parents, students, appropriate representatives of secondary schools and institutions of higher education, appropriate State administrators, administrators of dual enrollment programs, and appropriate officials from the Department.

''(B) CONGRESSIONAL CONSULTATION.—The Advisory Committee shall consult on a regular basis with the authorizing committees in carrying out the study required by this section.

''(5) REPORTS TO CONGRESS.—

''(A) INTERIM REPORT.—The Advisory Committee shall prepare and submit to the authorizing committees and the Secretary 1 interim report, not later than 1 year after the date of enactment of the Higher Education Amendments of 2005, describing the progress that has been made in conducting the study required by this subsection and any preliminary findings on the topics identified under paragraph (2).

''(B) FINAL REPORT.—The Advisory Committee shall, not later than 3 years after the date of enactment of the Higher Education Amendments of 2005, prepare and submit to the authorizing committees and the Secretary a final report on the study, including recommendations for legislative, regulatory, and administrative changes based on findings related to the topics identified under paragraph (2).''.

SEC. 7447. REGIONAL MEETINGS.

Section 492(a)(1) (20 U.S.C. 1098a(a)(1)) is amended by inserting ''State student grant agencies,'' after ''institutions of higher education,''.

SEC. 7448. YEAR 2000 REQUIREMENTS AT THE DEPARTMENT.

(a) REPEAL.—Section 493A (20 U.S.C. 1098c) is repealed.

(b) REDESIGNATION.—Section 493B (20 U.S.C. 1098d) is redesignated as section 493A.

Subchapter H—Program Integrity

SEC. 7451. RECOGNITION OF ACCREDITING AGENCY OR ASSOCIATION.

Section 496 (200 U.S.C. 1099b) is amended—

(1) in subsection (a)—

(A) by striking paragraph (4) and inserting the following:

''(4)(A) such agency or association consistently applies and enforces standards that respect the stated mission of the institution of higher education, including religious missions, and that ensure that the courses or programs of instruction, training, or study offered by the institution of higher education, including distance education courses or programs, are of sufficient quality to achieve, for the duration of the accreditation period, the stated objective for which the courses or the programs are offered; and

''(B) if such agency or association has or seeks to include within its scope of recognition the evaluation of the quality of institutions or programs offering distance education, such agency or association shall, in addition to meeting the other requirements of this subpart, demonstrate to the Secretary that—

''(i) the agency or association's standards effectively address the quality of an institution's distance education in the areas identified in section 496(a)(5), except that the agency or association shall not be required to have separate standards, procedures or policies for the evaluation of distance education institutions or programs in order to meet the requirements of this subparagraph; and

''(ii) the agency or association requires an institution that offers distance education to have processes through which the institution establishes that the student who registers in a distance education course or program is the same student who participates, completes and receives the academic credit;'';

(B) in paragraph (5), by striking subparagraph (A) and inserting the following:

''(A) success with respect to student achievement in relation to the institution's mission, including—

''(i) consideration of student academic achievement as determined by the institution;

''(ii) student retention;

''(iii) course and program completion;

''(iv) as appropriate, State licensing examinations;

''(v) as appropriate, job placement rates or enrollment in graduate or professional programs; and

''(vi) as appropriate, other student performance information selected by the institution, particularly that information used by the institution to evaluate or strengthen its programs;'';

(C) by striking paragraph (6) and inserting the following:

''(6) such an agency or association shall establish and apply review procedures throughout the accrediting process, including evaluation and withdrawal proceedings which comply with due process procedures that provide for—

''(A) adequate specification of requirements and deficiencies at the institution of higher education or program examined;

''(B) an opportunity for a written response by any such institution to be included, prior to final action, in the evaluation and withdrawal proceedings;

''(C) upon the written request of an institution, an opportunity for the institution to appeal any adverse action, including denial, withdrawal, suspension, or termination of accreditation, or placement on probation of an institution, at a hearing prior to such action becoming final, before an appeals panel that—

''(i) shall not include current members of the agency or association's underlying decision-making body that made the adverse decision; and

''(ii) is subject to a conflict of interest policy; and

''(D) the right to representation by counsel for such an institution during an appeal of the adverse action;''; and

(D) by striking paragraph (8) and inserting the following:

''(8) such agency or association shall make available to the public and the State licensing or authorizing agency, and submit to the Secretary, a summary of agency or association actions, including—

''(A) the award of accreditation or reaccreditation of an institution;

''(B) final denial, withdrawal, suspension, or termination of accreditation, or placement on probation of an institution, and any findings made in connection with the action taken, together with the official comments of the affected institution; and

''(C) any other adverse action taken with respect to an institution.''; and

(2) in subsection (c)—

(A) in paragraph (1), by inserting '', including those regarding distance education'' after ''their responsibilities'';

(B) by redesignating paragraphs (2) through (6) as paragraphs (5) through (9);

(C) by inserting after paragraph (1) (as amended by subparagraph (A)) the following:

''(2) ensures that the agency or association's on-site evaluation for accreditation or reaccreditation includes review of the Federally required information the institution or program provides its current and prospective students;

''(3) monitors the growth of programs at institutions that are experiencing significant enrollment growth;

''(4) requires an institution to submit a teach-out plan for approval to the accrediting agency upon the occurrence of any of the following events:

''(A) The Department notifies the accrediting agency of an action against the institution pursuant to section 487(d).

''(B) The accrediting agency acts to withdraw, terminate, or suspend the accreditation of an institution.

''(C) The institution notifies the accrediting agency that the institution intends to cease operations.'';

(D) in paragraph (8) (as redesignated by subparagraph (B)), by striking ''and'' after the semicolon;

(E) in subparagraph (9) (as redesignated by subparagraph (B)), by striking the period and inserting ''; and''; and

(F) by adding at the end the following:

''(10) confirms, as a part of the agency or association's review for accreditation or reaccreditation, that the institution has transfer of credit policies—

''(A) that are publicly disclosed;

''(B) that do not deny transfer of credit based solely on the accreditation of the sending institution, if the agency or association accrediting the sending institution is recognized by the Secretary pursuant to this section; and

''(C) in which acceptance or denial of transfer of credit is decided according to criteria established in guidelines developed by the institution's admissions committee.''.

SEC. 7452. ADMINISTRATIVE CAPACITY STANDARD.

Section 498 (20 U.S.C. 1099c) is amended—

(1) in subsection (d)(1)(B), by inserting ''and'' after the semicolon; and

(2) by adding at the end the following:

''(k) TREATMENT OF TEACH-OUTS AT ADDITIONAL LOCATIONS.—

''(1) IN GENERAL.—A location of a closed institution of higher education shall be eligible as an additional location of an eligible institution of higher education, as defined pursuant to regulations of the Secretary, for the purposes of a teach-out, if such teach-out has been approved by the institution's accrediting agency.

''(2) SPECIAL RULE.—An institution of higher education that conducts a teach-out through the establishment of an additional location described in paragraph (1) shall be permitted to establish a permanent additional location at a closed institution and shall not be required—

''(A) to meet the requirements of sections 102(b)(1)(E) and 102(c)(1)(C) for such additional location; or

''(B) to assume the liabilities of the closed institution.''.

SEC. 7453. PROGRAM REVIEW AND DATA.

Section 498A(b) (20 U.S.C. 1099c–1(b)) is amended—

(1) in paragraph (4), by striking ''and'' after the semicolon;

(2) in paragraph (5) by striking the period and inserting a semicolon; and

(3) by adding at the end the following:

''(6) provide to an institution of higher education an adequate opportunity to review and respond to any program review report and relevant materials related to the report before any final program review is reached;

''(7) review and take into consideration an institution of higher education's response in any final program review; and

''(8) maintain and preserve at all times the confidentiality of any program review report until the requirements of paragraphs (6) and (7) are met, and until a final program review is issued, other than to the extent required to comply with paragraph (5), except that the Secretary shall promptly disclose any and all program review reports to the institution of higher education under review.''.

CHAPTER 6—DEVELOPING INSTITUTIONS

SEC. 7501. DEFINITIONS.

Section 502(a) (20 U.S.C. 1101a(a)) is amended—

(1) in paragraph (5)—

(A) in subparagraph (A), by inserting ''and'' after the semicolon;

(B) in subparagraph (B), by striking ''; and'' and inserting a period; and

(C) by striking subparagraph (C); and

(2) by striking paragraph (7).

SEC. 7502. AUTHORIZED ACTIVITIES.

Section 503(b) (20 U.S.C. 1101b(b)) is amended—

(1) by redesignating paragraphs (6) through (14) as paragraphs (8) through (16), respectively;

(2) in paragraph (5), by inserting '', including innovative, customized remedial education and English language instruction courses designed to help retain students and move the students rapidly into core courses and through program completion'' before the period at the end; and

(3) by inserting after paragraph (5) the following:

''(6) Education or counseling services designed to improve the financial literacy and economic literacy of students or the students' parents.

''(7) Articulation agreements and student support programs designed to facilitate the transfer from 2-year to 4-year institutions.''.

SEC. 7503. DURATION OF GRANT.

Section 504(a) (20 U.S.C. 1101c(a)) is amended to read as follows:

''(a) AWARD PERIOD.—The Secretary may award a grant to a Hispanic-serving institution under this title for 5 years.''.

SEC. 7504. POSTBACCALAUREATE OPPORTUNITIES FOR HISPANIC AMERICANS.

(a) ESTABLISHMENT OF PROGRAM.—Title V (20 U.S.C. 1101 et seq.) is amended—

(1) by redesignating part B as part C;

(2) by redesignating sections 511 through 518 as sections 521 through 528, respectively; and

(3) by inserting after section 505 the following:

''PART B—PROMOTING POSTBACCALAUREATE OPPORTUNITIES FOR HISPANIC AMERICANS

''SEC. 511. PROGRAM AUTHORITY AND ELIGIBILITY.

''(a) PROGRAM AUTHORIZED.—Subject to the availability of funds appropriated to carry out this part, the Secretary shall award grants, on a competitive basis, to eligible institutions to enable the eligible institutions to carry out the authorized activities described in section 512.

''(b) ELIGIBILITY.—For the purposes of this part, an 'eligible institution' means an institution of higher education that—

''(1) is a Hispanic-serving institution (as defined in section 502); and

''(2) offers a postbaccalaureate certificate or degree granting program.

''SEC. 512. AUTHORIZED ACTIVITIES.

''Grants awarded under this part shall be used for 1 or more of the following activities:

''(1) Purchase, rental, or lease of scientific or laboratory equipment for educational purposes, including instructional and research purposes.

''(2) Construction, maintenance, renovation, and improvement in classroom, library, laboratory, and other instructional facilities, including purchase or rental of telecommunications technology equipment or services.

''(3) Purchase of library books, periodicals, technical and other scientific journals, microfilm, microfiche, and other educational materials, including telecommunications program materials.

''(4) Support for needy postbaccalaureate students, including outreach, academic support services, mentoring, scholarships, fellowships, and other financial assistance, to permit the enrollment of such students in postbaccalaureate certificate and degree granting programs.

''(5) Support of faculty exchanges, faculty development, faculty research, curriculum development, and academic instruction.

''(6) Creating or improving facilities for Internet or other distance learning academic instruction capabilities, including purchase or rental of telecommunications technology equipment or services.

''(7) Collaboration with other institutions of higher education to expand postbaccalaureate certificate and degree offerings.

''(8) Other activities proposed in the application submitted pursuant to section 513 that are approved by the Secretary as part of the review and acceptance of such application.

''SEC. 513. APPLICATION AND DURATION.

''(a) APPLICATION.—Any eligible institution may apply for a grant under this part by

submitting an application to the Secretary at such time and in such manner as the Secretary may require. Such application shall demonstrate how the grant funds will be used to improve postbaccalaureate education opportunities for Hispanic and low-income students and will lead to such students' greater financial independence.

''(b) DURATION.—Grants under this part shall be awarded for a period not to exceed 5 years.

''(c) LIMITATION.—The Secretary may not award more than 1 grant under this part in any fiscal year to any Hispanic-serving institution.''.

SEC. 7505. APPLICATIONS.

Section 521(b)(1)(A) (as redesignated by section 7504(a)(2)) (20 U.S.C. 1103(b)(1)(A)) is amended by striking ''subsection (b)'' and inserting ''subsection (c)''.

SEC. 7506. COOPERATIVE ARRANGEMENTS.

Section 524(a) (as redesignated by section 7504(a)(2)) (20 U.S.C. 1103c(a)) is amended by striking ''section 503'' and inserting ''sections 503 and 512''.

SEC. 7507. AUTHORIZATION OF APPROPRIATIONS.

Section 528(a) (as redesignated by section 7504(a)(2)) (20 U.S.C. 1103g(a)) is amended—

(1) by inserting ''part A of'' after ''carry out'';

(2) by striking ''$62,500,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.'';

(3) by striking ''(a) AUTHORIZATIONS.—There are'' and inserting the following:

''(a) AUTHORIZATIONS.—

''(1) PART A.—There are''; and

(4) by adding at the end the following:

''(2) PART B.—There are authorized to be appropriated to carry out part B of this title such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''.

CHAPTER 7—INTERNATIONAL EDUCATION PROGRAMS

SEC. 7601. FINDINGS.

Section 601 (20 U.S.C. 1121) is amended—

(1) in the section heading, by striking ''**AND PURPOSES**'' and inserting ''**; PURPOSES; CONSULTATION; SURVEY**''

(2) in subsection (a)(3), by striking ''post-Cold War'';

(3) in subsection (b)(1)(D), by inserting '', including through linkages with overseas institutions'' before the semicolon; and

(4) by adding at the end the following:

''(c) CONSULTATION.—The Secretary shall, prior to requesting applications for funding under this title during each grant cycle, consult with and receive recommendations regarding national need for expertise in foreign languages and world regions from the head official, or a designee of such head official, of the National Security Council, the Department of Homeland Security, the Department of Defense, the Department of State, the Federal Bureau of Investigation, the Department of Labor, and the Department of Commerce, the Director of National Intelligence, and other relevant agencies. These entities shall provide information to the Secretary regarding how the entities utilize expertise and resources provided by grantees under this title. The Secretary shall take into account such recommendations and information when requesting applications for funding under this title, and shall make available to applicants a list of areas identified as areas of national need.

''(d) SURVEY.—The Secretary shall assist grantees in developing a survey to administer to students who have participated in programs under this title to determine postparticipation placement. All grantees, where applicable, shall administer such survey not less often than annually and report such data to the Secretary.''.

SEC. 7602. GRADUATE AND UNDERGRADUATE LANGUAGE AND AREA CENTERS AND PROGRAMS.

Section 602 (20 U.S.C. 1122) is amended—

(1) in subsection (a)—

(A) in paragraph (2)—

(i) in subparagraph (G), by striking ''and'' after the semicolon;

(ii) in subparagraph (H), by striking the period and inserting ''; and''; and

(iii) by adding at the end the following:

''(I) support for instructors of the less commonly taught languages.''; and

(B) in paragraph (4)—

(i) by redesignating subparagraphs (C) through (E) as subparagraphs (D) through (F), respectively;

(ii) by inserting after subparagraph (B) the following:

''(C) Programs of linkage or outreach between or among—

''(i) foreign language, area studies, or other international fields; and

''(ii) State educational agencies or local educational agencies.''; and

(iii) in subparagraph (F) (as redesignated by clause (i)), by striking ''and (D)'' and inserting ''(D), and (E)'';

(2) in subsection (b)—

(A) in the subsection heading, by striking ''GRADUATE''; and

(B) by striking paragraph (2) and inserting the following:

''(2) ELIGIBLE STUDENTS.—A student receiving a stipend described in paragraph (1) shall be engaged—

''(A) in an instructional program with stated performance goals for functional foreign language use or in a program developing such performance goals, in combination with area studies, international studies, or the international aspects of a professional studies program; and

''(B)(i) in the case of an undergraduate student, in the intermediate or advanced study of a less commonly taught language; or

''(ii) in the case of a graduate student, in graduate study in connection with a program described in subparagraph (A), including—

''(I) predissertation level study;

''(II) preparation for dissertation research;

''(III) dissertation research abroad; or

''(IV) dissertation writing.'';

(3) by striking subsection (d) and inserting the following:

''(d) ALLOWANCES.—

''(1) GRADUATE LEVEL RECIPIENTS.—A stipend awarded to a graduate level recipient may include allowances for dependents and for travel for research and study in the United States and abroad.

''(2) UNDERGRADUATE LEVEL RECIPIENTS.—A stipend awarded to an undergraduate level recipient may include an allowance for educational programs in the United States or educational programs abroad that—

''(A) are closely linked to the overall goals of the recipient's course of study; and

''(B) have the purpose of promoting foreign language fluency and knowledge of foreign cultures.''; and

(4) by adding at the end the following:

''(e) APPLICATION.—Each institution or combination of institutions desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information and assurances as the Secretary may require. Each application shall include an explanation of how the activities funded by the grant will reflect diverse perspectives and a wide range of views and generate debate on world regions and international affairs. Each application shall also describe how the applicant will address disputes regarding whether activities funded under the application reflect diverse perspectives and a wide range of views. Each application shall also include a description of how the applicant will encourage government service in areas of national need as identified by the Secretary.''.

SEC. 7603. UNDERGRADUATE INTERNATIONAL STUDIES AND FOREIGN LANGUAGE PROGRAMS.

Section 604 (20 U.S.C. 1124) is amended—

(1) in subsection (a)—

(A) in paragraph (2)—

(i) by redesignating subparagraphs (I) through (M) as subparagraphs (J) through (N), respectively; and

(ii) by inserting after subparagraph (H) the following:

''(I) providing subgrants to undergraduate students for educational programs abroad that—

''(i) are closely linked to the overall goals of the program for which the grant is awarded; and

''(ii) have the purpose of promoting foreign language fluency and knowledge of foreign cultures;''; and

(B) in paragraph (7)—

(i) in subparagraph (C), by striking ''and'' after the semicolon;

(ii) in subparagraph (D), by striking the period at the end and inserting a semicolon; and

(iii) by adding at the end the following:

''(E) an explanation of how the activities funded by the grant will reflect diverse perspectives and a wide range of views and generate debate on world regions and international affairs, where applicable;

''(F) a description of how the applicant will address disputes regarding whether the activities funded under the application reflect diverse perspectives and a wide range of views; and

''(G) a description of how the applicant will encourage government service in areas of national need as identified by the Secretary.''; and

(2) in subsection (c)—

(A) by striking ''FUNDING SUPPORT.—The Secretary'' and inserting ''FUNDING RULES.—

''(1) THE SECRETARY.—The Secretary'';

(B) by striking ''10'' and inserting ''20''; and

(C) by adding at the end the following:

''(2) GRANTEES.—Of the total amount of grant funds awarded to a grantee under this section, the grantee may use not more than 10 percent of such funds for the activity described in subsection (a)(2)(I).''.

SEC. 7604. RESEARCH; STUDIES.

Section 605(a) (20 U.S.C. 1125(a)) is amended—

(1) in paragraph (8), by striking ''and'' after the semicolon;

(2) in paragraph (9), by striking the period and inserting a semicolon; and

(3) by adding at the end the following:

''(10) evaluation of the extent to which programs assisted under this title reflect diverse perspectives and a wide range of views and generate debate on world regions and international affairs;

''(11) the systematic collection, analysis, and dissemination of data that contribute to achieving the purposes of this part; and

''(12) support for programs or activities to make data collected, analyzed, or disseminated under this section publicly available and easy to understand.''.

SEC. 7605. TECHNOLOGICAL INNOVATION AND COOPERATION FOR FOREIGN INFORMATION ACCESS.

Section 606 (20 U.S.C. 1126) is amended—

(1) in subsection (a)—

(A) by striking ''new electronic technologies'' and insert ''electronic technologies'';

(B) by inserting ''from foreign sources'' after ''disseminate information'';

(C) by striking ''AUTHORITY.—The Secretary'' and insert ''AUTHORITY.—

''(1) IN GENERAL.—The Secretary''; and

(D) by adding at the end the following:

''(2) PARTNERSHIPS WITH NOT-FOR-PROFIT EDUCATIONAL ORGANIZATIONS.—The Secretary may award grants under this section to carry out the activities authorized under this section to the following:

''(A) An institution of higher education.

''(B) A public or nonprofit private library.

''(C) A consortium of an institution of higher education and 1 or more of the following:

''(i) Another institution of higher education.

''(ii) A library.

''(iii) A not-for-profit educational organization.'';

(2) in subsection (b)—

(A) in paragraph (1), by striking ''to facilitate access to'' and inserting ''to acquire, facilitate access to,'';

(B) in paragraph (2), by inserting ''or standards for'' after ''means of'';

(C) in paragraph (6), by striking ''and'' after the semicolon;

(D) in paragraph (7), by striking the period and inserting a semicolon; and

(E) by adding at the end the following:

''(8) to establish linkages to facilitate carrying out the activities described in this subsection between—

''(A) the institutions of higher education, libraries, and consortia receiving grants under this section; and

''(B) institutions of higher education, not-for-profit educational organizations, and libraries overseas; and

''(9) to carry out other activities that the Secretary determines are consistent with the purpose of the grants or contracts awarded under this section.''; and

(3) in subsection (c), by striking ''institution or consortium'' and inserting ''institution of higher education, library, or consortium''.

SEC. 7606. SELECTION OF CERTAIN GRANT RECIPIENTS.

Section 607 (20 U.S.C. 1127) is amended—

(1) in subsection (a), by striking ''evaluates the applications for comprehensive and undergraduate language and area centers and programs.'' and inserting ''evaluates—

''(1) the applications for comprehensive foreign language and area or international studies centers and programs; and

''(2) the applications for undergraduate foreign language and area or international studies centers and programs.''; and

(2) in subsection (b), by adding at the end the following: ''The Secretary shall also consider an applicant's record of sending students into public service and an applicant's stated efforts to increase the number of students that go into public service.''.

SEC. 7607. AMERICAN OVERSEAS RESEARCH CENTERS.

Section 609 (20 U.S.C. 1128a) is amended by adding at the end the following:

''(e) APPLICATION.—Each center desiring a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such information and assurances as the Secretary may require. Each application shall include how the activities funded by the grant will reflect diverse perspectives and a wide range of views and generate debate on world regions and international affairs, where applicable. Each application shall also describe how the applicant will address disputes regarding whether the activities funded under the application reflect diverse perspectives and a wide range of views.''.

SEC. 7608. AUTHORIZATION OF APPROPRIATIONS FOR INTERNATIONAL AND FOREIGN LANGUAGE STUDIES.

Section 610 (20 U.S.C. 1128b) is amended by striking ''$80,000,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''.

SEC. 7609. CENTERS FOR INTERNATIONAL BUSINESS EDUCATION.

Section 612(f) (20 U.S.C. 1130–1(f)) is amended—

(1) in paragraph (3), by striking ''and'' after the semicolon;

(2) in paragraph (4), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(5) assurances that activities funded by the grant will reflect diverse perspectives and a wide range of views and generate debate on world regions and international affairs, where applicable.''.

SEC. 7610. EDUCATION AND TRAINING PROGRAMS.

Section 613(c) (20 U.S.C. 1130a(c)) is amended by adding at the end the following: ''Each such application shall include an assurance that, where applicable, the activities funded by the grant will reflect diverse perspectives and a wide range of views on world regions and international affairs.''.

SEC. 7611. AUTHORIZATION OF APPROPRIATIONS FOR BUSINESS AND INTERNATIONAL EDUCATION PROGRAMS.

Section 614 (20 U.S.C. 1130b) is amended—

(1) in subsection (a), by striking ''$11,000,000 for fiscal year 1999'' and all that follows through ''fiscal years'' and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years''; and

(2) in subsection (b), by striking ''$7,000,000 for fiscal year 1999'' and all that follows through ''fiscal years,'' and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years''.

SEC. 7612. MINORITY FOREIGN SERVICE PROFESSIONAL DEVELOPMENT PROGRAM.

Section 621 (20 U.S.C. 1131) is amended—

(1) in subsection (c), by adding at the end the following: ''Each application shall include a description of how the activities funded by the grant will reflect diverse perspectives and a wide range of views on world regions and international affairs, where applicable.''; and

(2) in subsection (e)—

(A) by striking ''MATCH REQUIRED.—The eligible'' and inserting ''MATCHING FUNDS.—

''(1) IN GENERAL.—Subject to paragraph (2), the eligible''; and

(B) by adding at the end the following:

''(2) WAIVER.—The Secretary may waive the requirement of paragraph (1) for an eligible recipient if the Secretary determines such waiver is appropriate.''.

SEC. 7613. INSTITUTIONAL DEVELOPMENT.

Section 622 (20 U.S.C. 1131–1) is amended—

(1) in subsection (a)—

(A) by striking ''Tribally Controlled Colleges or Universities'' and inserting ''tribally controlled colleges or universities''; and

(B) by striking ''international affairs programs.'' and inserting ''international affairs, international business, and foreign language study programs, including the teaching of foreign languages, at such colleges, universities, and institutions, respectively, through increased collaboration with institutions of higher education that receive funding under this title.''; and

(2) in subsection (c)—

(A) by striking paragraphs (1) and (3); and

(B) by redesignating paragraphs (2) and (4) as paragraphs (1) and (2), respectively.

SEC. 7614. STUDY ABROAD PROGRAM.

Section 623(a) (20 U.S.C. 1131a(a)) is amended—

(1) by striking ''as defined in section 322 of this Act''; and

(2) by striking ''tribally controlled Indian community colleges as defined in the Tribally Controlled Community College Assistance Act of 1978'' and inserting ''tribally controlled colleges or universities''.

SEC. 7615. ADVANCED DEGREE IN INTERNATIONAL RELATIONS.

Section 624 (20 U.S.C. 1131b) is amended—

(1) in the section heading, by striking ''**MASTERS**'' and inserting ''**ADVANCED**'';

(2) in the first sentence, by inserting '', and in exceptional circumstances, a doctoral degree,'' after ''masters degree'';

(3) in the second sentence, by striking ''masters degree'' and inserting ''advanced degree''; and

(4) in the fourth sentence, by striking ''United States'' and inserting ''United States.''.

SEC. 7616. INTERNSHIPS.

Section 625 (20 U.S.C. 1131c) is amended—

(1) in subsection (a)—

(A) by striking ''as defined in section 322 of this Act'';

(B) by striking ''tribally controlled Indian community colleges as defined in the Tribally Controlled Community College Assistance Act of 1978'' and inserting ''tribally controlled colleges or universities'';

(C) by striking ''an international'' and inserting ''international,''; and

(D) by striking ''the United States Information Agency'' and inserting ''the Department of State''; and

(2) in subsection (c)(1)—

(A) in subparagraph (E), by inserting ''and'' after the semicolon;

(B) in subparagraph (F), by striking ''; and'' and inserting a period; and

(C) by striking subparagraph (G).

SEC. 7617. FINANCIAL ASSISTANCE.

Part C of title VI (20 U.S.C. 1131 et seq.) is further amended—

(1) by redesignating sections 626, 627, and 628 as sections 627, 628, and 629, respectively; and

(2) by inserting after section 625 the following:

''SEC. 626. FINANCIAL ASSISTANCE.

''(a) AUTHORITY.—The Institute may provide financial assistance, in the form of summer stipends described in subsection (b) and Ralph Bunche scholarship assistance described in subsection (c), to needy students to facilitate the participation of the students in the Institute's programs under this part.

''(b) SUMMER STIPENDS.—

''(1) REQUIREMENTS.—A student receiving a summer stipend under this section shall use such stipend to defray the student's cost of participation in a summer institute program funded under this part, including the costs of travel, living, and educational expenses necessary for the student's participation in such program.

''(2) AMOUNT.—A summer stipend awarded to a student under this section shall not exceed $3,000 per summer.

''(c) RALPH BUNCHE SCHOLARSHIP.—

''(1) REQUIREMENTS.—A student receiving a Ralph Bunche scholarship under this section—

''(A) shall be a full-time student at an institution of higher education who is accepted into a program funded under this part; and

''(B) shall use such scholarship to pay costs related to the cost of attendance, as defined in section 472, at the institution of

higher education in which the student is enrolled.

''(2) AMOUNT AND DURATION.—A Ralph Bunche scholarship awarded to a student under this section shall not exceed $5,000 per academic year.''.

SEC. 7618. REPORT.

Section 627 (as redesignated by section 7617(1)) (20 U.S.C. 1131d) is amended by striking ''annually'' and inserting ''biennially''.

SEC. 7619. GIFTS AND DONATIONS.

Section 628 (as redesignated by section 7617(1)) (20 U.S.C. 1131e) is amended by striking ''annual report described in section 626'' and inserting ''biennial report described in section 627''.

SEC. 7620. AUTHORIZATION OF APPROPRIATIONS FOR THE INSTITUTE FOR INTERNATIONAL PUBLIC POLICY.

Section 629 (as redesignated by section 7617(1)) (20 U.S.C. 1131f) is amended by striking ''$10,000,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''.

SEC. 7621. DEFINITIONS.

Section 631 (20 U.S.C. 1132) is amended—

(1) by redesignating paragraphs (2), (3), (4), (5), (6), (7), (8), and (9), as paragraphs (8), (5), (9), (2), (11), (3), (7), and (4), respectively;

(2) in paragraph (2), as redesignated by paragraph (1), by striking ''comprehensive language and area center'' and inserting ''comprehensive foreign language and area or international studies center'';

(3) in paragraph (11), as redesignated by paragraph (1), by striking ''undergraduate language and area center'' and inserting ''undergraduate foreign language and area or international studies center'';

(4) in paragraph (3), as redesignated by paragraph (1), by striking the first occurrence of the term ''critical languages'' and inserting ''critical foreign languages'';

(5) in paragraph (7), as redesignated by paragraph (1), by striking ''and'' after the semicolon;

(6) in paragraph (4), as redesignated by paragraph (1), by striking the period at the end and inserting a semicolon;

(7) by inserting after paragraph (5), as redesignated by paragraph (1), the following:

''(6) the term 'historically Black college and university' has the meaning given the term 'part B institution' in section 322;''; and

(8) by inserting after paragraph (9), as redesignated by paragraph (1), the following:

''(10) the term 'tribally controlled college or university' has the meaning given the term in section 2 of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801); and''.

SEC. 7622. ASSESSMENT AND ENFORCEMENT.

Part D of title VI (20 U.S.C. 1132) is amended by adding at the end the following:

''SEC. 632. ASSESSMENT; ENFORCEMENT; RULE OF CONSTRUCTION.

''(a) IN GENERAL.—The Secretary is authorized to assess and ensure compliance with all the conditions and terms of grants provided under this title. If a complaint regarding activities funded under this title is not resolved under the process outlined in the relevant grantee's application, and such complaint is filed with the Department, the Secretary shall be notified, and is authorized, when circumstances warrant, to immediately suspend future funding for the grant pending resolution of such dispute. Such resolution shall not exceed 60 days. The Secretary shall take the outcomes of such complaints into account when determining the renewal of grants.

''(b) RULE OF CONSTRUCTION.—Nothing in this title shall be construed to authorize the Secretary to mandate, direct, or control an institution of higher education's specific instructional content, curriculum, or program of instruction.

''SEC. 633. EVALUATION, OUTREACH, AND INFORMATION.

''The Secretary may use not more than 1 percent of the funds made available under this title to carry out program evaluation, national outreach, and information dissemination activities relating to the programs authorized under this title.''.

CHAPTER 8—GRADUATE AND POSTSECONDARY IMPROVEMENT PROGRAMS

SEC. 7701. PURPOSE.

Section 700(1)(B)(i) (20 U.S.C. 1133(1)(B)(i)) is amended by inserting '', including those areas critical to United States national and homeland security needs such as mathematics, science, and engineering'' before the semicolon at the end.

SEC. 7702. ALLOCATION OF JACOB K. JAVITS FELLOWSHIPS.

Section 702(a)(1) (20 U.S.C. 1134a(a)(1)) is amended to read as follows:

''(1) APPOINTMENT.—

''(A) IN GENERAL.—The Secretary shall appoint a Jacob K. Javits Fellows Program Fellowship Board (referred to in this subpart as the 'Board') consisting of 9 individuals representative of both public and private institutions of higher education who are especially qualified to serve on the Board.

''(B) QUALIFICATIONS.—In making appointments under subparagraph (A), the Secretary shall—

''(i) give due consideration to the appointment of individuals who are highly respected in the academic community;

''(ii) assure that individuals appointed to the Board are broadly representative of a range of disciplines in graduate education in arts, humanities, and social sciences;

''(iii) appoint members to represent the various geographic regions of the United States; and

''(iv) include representatives from minority institutions, as defined in section 365.''.

SEC. 7703. STIPENDS.

Section 703(a) (20 U.S.C. 1134b(a)) is amended by striking ''graduate fellowships'' and inserting ''Graduate Research Fellowship Program''.

SEC. 7704. AUTHORIZATION OF APPROPRIATIONS FOR THE JACOB K. JAVITS FELLOWSHIP PROGRAM.

Section 705 (20 U.S.C. 1134d) is amended by striking ''$30,000,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years to carry out this subpart.''.

SEC. 7705. INSTITUTIONAL ELIGIBILITY UNDER THE GRADUATE ASSISTANCE IN AREAS OF NATIONAL NEED PROGRAM.

Section 712(b) (20 U.S.C. 1135a(b)) is amended to read as follows:

''(b) DESIGNATION OF AREAS OF NATIONAL NEED.—After consultation with appropriate Federal and nonprofit agencies and organizations, including the National Science Foundation, the Department of Defense, the Department of Homeland Security, the National Academy of Sciences, and the Bureau of Labor Statistics, the Secretary shall designate areas of national need. In making such designations, the Secretary shall take into consideration—

''(1) the extent to which the interest in the area is compelling;

''(2) the extent to which other Federal programs support postbaccalaureate study in the area concerned;

''(3) an assessment of how the program may achieve the most significant impact with available resources; and

''(4) an assessment of current and future professional workforce needs of the United States.''.

SEC. 7706. AWARDS TO GRADUATE STUDENTS.

Section 714 (20 U.S.C. 1135c) is amended—

(1) in subsection (b)—

(A) by striking ''1999–2000'' and inserting ''2006–2007''; and

(B) by striking ''graduate fellowships'' and inserting ''Graduate Research Fellowship Program''; and

(2) in subsection (c)—

(A) by striking ''716(a)'' and inserting ''715(a)''; and

(B) by striking ''714(b)(2)'' and inserting ''713(b)(2)''.

SEC. 7707. ADDITIONAL ASSISTANCE FOR COST OF EDUCATION.

Section 715(a)(1) (20 U.S.C. 1135d(a)(1)) is amended—

(1) by striking ''1999–2000'' and inserting ''2006–2007''; and

(2) by striking ''1998–1999'' and inserting ''2005–2006''.

SEC. 7708. AUTHORIZATION OF APPROPRIATIONS FOR THE GRADUATE ASSISTANCE IN AREAS OF NATIONAL NEED PROGRAM.

Section 716 (20 U.S.C. 1135e) is amended by striking ''$35,000,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years to carry out this subpart.''.

SEC. 7709. AUTHORIZATION OF APPROPRIATIONS FOR THE THURGOOD MARSHALL LEGAL EDUCATIONAL OPPORTUNITY PROGRAM.

Section 721(h) (20 U.S.C. 1136(h)) is amended by striking ''$5,000,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''.

SEC. 7710. FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.

Section 741(a) (20 U.S.C. 1138(a)) is amended—

(1) by striking paragraph (3) and inserting the following:

''(3) the establishment and continuation of institutions, programs, consortia, collaborations, and other joint efforts based on the technology of communications, including those efforts that utilize distance education and technological advancements to educate and train postsecondary students (including health professionals serving medically underserved populations);'';

(2) in paragraph (7), by striking ''and'' after the semicolon;

(3) in paragraph (8), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

''(9) the introduction of reforms in remedial education, including English language instruction, to customize remedial courses to student goals and help students progress rapidly from remedial courses into core courses and through program completion;

''(10) the creation of consortia that join diverse institutions of higher education for the purpose of integrating curricular and cocurricular interdisciplinary study; and

''(11) providing support and assistance to programs implementing integrated education reform services in order to improve secondary school graduation and college attendance and completion rates for disadvantaged students.''.

SEC. 7711. SPECIAL PROJECTS.

Section 744(c) (20 U.S.C. 1138c) is amended to read as follows:

''(c) AREAS OF NATIONAL NEED.—Areas of national need shall include, at a minimum, the following:

''(1) Institutional restructuring to improve learning and promote productivity, efficiency, quality improvement, and cost and price control.

''(2) Improvements in academic instruction and student learning, including efforts designed to assess the learning gains made by postsecondary students.

''(3) Articulation between 2- and 4-year institutions of higher education, including developing innovative methods for ensuring the successful transfer of students from 2- to 4-year institutions of higher education.

''(4) Development, evaluation and dissemination of model programs, including model core curricula that—

''(A) provide students with a broad and integrated knowledge base;

''(B) include, at a minimum, broad survey courses in English literature, American and world history, American political institutions, economics, philosophy, college-level mathematics, and the natural sciences; and

''(C) include sufficient study of a foreign language to lead to reading and writing competency in the foreign language.

''(5) International cooperation and student exchanges among postsecondary educational institutions.''.

SEC. 7712. AUTHORIZATION OF APPROPRIATIONS FOR THE FUND FOR THE IMPROVEMENT OF POSTSECONDARY EDUCATION.

Section 745 (20 U.S.C. 1138d) is amended by striking ''$30,000,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''.

SEC. 7713. REPEAL OF THE URBAN COMMUNITY SERVICE PROGRAM.

Part C of title VII (20 U.S.C. 1139 et seq.) is repealed.

SEC. 7714. GRANTS AUTHORIZED FOR DEMONSTRATION PROJECTS TO ENSURE STUDENTS WITH DISABILITIES RECEIVE A QUALITY HIGHER EDUCATION.

Section 762 (20 U.S.C. 1140a) is amended—

(1) in subsection (b)—

(A) in paragraph (2)—

(i) in subparagraph (A), by striking ''to teach students with disabilities'' and inserting ''to teach and meet the academic and programmatic needs of students with disabilities in order to improve retention and completion of postsecondary education'';

(ii) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (F), respectively;

(iii) by inserting after subparagraph (A) the following:

''(B) EFFECTIVE TRANSITION PRACTICES.—The development of innovative and effective teaching methods and strategies to ensure the successful transition of students with disabilities from secondary school to postsecondary education.'';

(iv) in subparagraph (C), as redesignated by clause (ii), by striking the period at the end and inserting '', including data on the postsecondary education of and impact on subsequent employment of students with disabilities. Such research, information, and data shall be made publicly available and accessible.'';

(v) by inserting after subparagraph (C), as redesignated by clause (ii), the following:

''(D) DISTANCE LEARNING.—The development of innovative and effective teaching methods and strategies to provide faculty and administrators with the ability to provide accessible distance education programs or classes that would enhance access of students with disabilities to higher education, including the use of accessible curriculum and electronic communication for instruction and advisement.

''(E) DISABILITY CAREER PATHWAYS.—Training and providing support to secondary and postsecondary staff to encourage interest in, enhance awareness and understanding of, provide educational opportunities in, teach practical skills related to, and offer work-based opportunities in, disability related fields, among students, including students with disabilities. Such training and support may include developing means to offer students credit-bearing, college-level coursework, and career and educational counseling.''; and

(vi) by adding at the end the following:

''(G) ACCESSIBILITY OF EDUCATION.—Making postsecondary education more accessible to students with disabilities through curriculum development.''; and

(B) in paragraph (3), by striking ''subparagraphs (A) through (C)'' and inserting ''subparagraphs (A) through (G)''; and

(2) by adding at the end the following:

''(d) REPORT.—The Secretary shall prepare and disseminate a report reviewing the activities of the demonstration projects authorized under this part and providing guidance and recommendations on how successful projects can be replicated.''.

SEC. 7715. APPLICATIONS FOR DEMONSTRATION PROJECTS TO ENSURE STUDENTS WITH DISABILITIES RECEIVE A QUALITY HIGHER EDUCATION.

Section 763 (20 U.S.C. 1140b) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) a description of how such institution plans to address the activities allowed under this part;'';

(2) in paragraph (2), by striking ''and'' after the semicolon;

(3) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(4) by adding at the end the following:

''(4) a description of the extent to which the institution will work to replicate the research based and best practices of institutions of higher education with demonstrated success in serving students with disabilities.''.

SEC. 7716. AUTHORIZATION OF APPROPRIATIONS FOR THE DEMONSTRATION PROJECTS TO ENSURE STUDENTS WITH DISABILITIES RECEIVE A QUALITY HIGHER EDUCATION.

Section 765 (20 U.S.C. 1140d) is amended by striking ''$10,000,000 for fiscal year 1999'' and all that follows through the period and inserting ''such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''.

CHAPTER 9—MISCELLANEOUS

SEC. 7801. MISCELLANEOUS.

The Act (20 U.S.C. 1001 et seq.) is amended by adding at the end the following:

''TITLE VIII—MISCELLANEOUS

''PART A—MATHEMATICS AND SCIENCE SCHOLARS PROGRAM

''SEC. 811. MATHEMATICS AND SCIENCE SCHOLARS PROGRAM.

''(a) PROGRAM AUTHORIZED.—The Secretary is authorized to award grants to States, on a competitive basis, to enable the States to award eligible students, who complete a rigorous secondary school curriculum in mathematics and science, scholarships for undergraduate study.

''(b) ELIGIBLE STUDENTS.—A student is eligible for a scholarship under this section if the student is a full-time undergraduate student in the student's first and second year of study who has completed a rigorous secondary school curriculum in mathematics and science.

''(c) RIGOROUS CURRICULUM.—Each participating State shall determine the requirements for a rigorous secondary school curriculum in mathematics and science described in subsection (b).

''(d) PRIORITY FOR SCHOLARSHIPS.—The Governor of a State may set a priority for awarding scholarships under this section for particular eligible students, such as students attending schools in high-need areas, students who are from groups underrepresented in the fields of mathematics, science, and engineering, students served by local educational agencies that do not meet or exceed State standards in mathematics and science, or students with regional or geographic needs as determined appropriate by the Governor.

''(e) AMOUNT AND DURATION OF SCHOLARSHIP.—The Secretary shall award a grant under this section—

''(1) in an amount that does not exceed $1,000; and

''(2) for not more than 2 years of undergraduate study.

''(f) MATCHING REQUIREMENT.—In order to receive a grant under this section, a State shall provide matching funds for the scholarships awarded under this section in an amount equal to 50 percent of the Federal funds received.

''(g) AUTHORIZATION.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

''PART B—POSTSECONDARY EDUCATION ASSESSMENT

''SEC. 821. POSTSECONDARY EDUCATION ASSESSMENT.

''(a) CONTRACT FOR ASSESSMENT.—The Secretary shall enter into a contract, with an independent, bipartisan organization with specific expertise in public administration and financial management, to carry out an independent assessment of the cost factors associated with the cost of tuition at institutions of higher education.

''(b) TIMEFRAME.—The Secretary shall enter into the contract described in subsection (a) not later than 90 days after the date of enactment of the Higher Education Amendments of 2005.

''(c) MATTERS ASSESSED.—The assessment described in subsection (a) shall—

''(1) examine the key elements driving the cost factors associated with the cost of tuition at institutions of higher education during academic year 2000 and succeeding academic years;

''(2) identify and evaluate measures being used to control postsecondary education costs;

''(3) identify and evaluate effective measures that may be utilized to control postsecondary education costs in the future; and

''(4) identify systemic approaches to monitor future postsecondary education cost trends and postsecondary education cost control mechanisms.

''PART C—JOB SKILL TRAINING IN HIGH-GROWTH OCCUPATIONS OR INDUSTRIES

''SEC. 831. JOB SKILL TRAINING IN HIGH-GROWTH OCCUPATIONS OR INDUSTRIES.

''(a) GRANTS AUTHORIZED.—The Secretary is authorized to award grants, on a competitive basis, to eligible partnerships to enable the eligible partnerships to provide relevant job skill training in high-growth industries or occupations.

''(b) DEFINITIONS.—In this section:

''(1) ELIGIBLE PARTNERSHIP.—The term 'eligible partnership' means a partnership—

''(A) between an institution of higher education and a local board (as such term is defined in section 101 of the Workforce Investment Act of 1998); or

''(B) if an institution of higher education is located within a State that does not operate local boards, between the institution of higher education and a State board (as such term

is defined in section 101 of the Workforce Investment Act of 1998).

''(2) NONTRADITIONAL STUDENT.—The term 'nontraditional student' means a student who—

''(A) is independent, as defined in section 480(d);

''(B) attends an institution of higher education—

''(i) on less than a full-time basis;

''(ii) via evening, weekend, modular, or compressed courses; or

''(iii) via distance learning methods; or

''(C) has delayed enrollment at an institution of higher education.

''(3) INSTITUTION OF HIGHER EDUCATION.—The term 'institution of higher education' means an institution of higher education, as defined in section 101(b), that offers a 1- or 2-year program of study leading to a degree or certificate.

''(c) APPLICATION.—

''(1) IN GENERAL.—Each eligible partnership that desires a grant under this section shall submit an application to the Secretary at such time, in such manner, and accompanied by such additional information as the Secretary may require.

''(2) CONTENTS.—Each application submitted under paragraph (1) shall include a description of—

''(A) how the eligible partnership, through the institution of higher education, will provide relevant job skill training for students to enter high-growth occupations or industries;

''(B) local high-growth occupations or industries; and

''(C) the need for qualified workers to meet the local demand of high-growth occupations or industries.

''(d) AWARD BASIS.—In awarding grants under this section, the Secretary shall—

''(1) ensure an equitable distribution of grant funds under this section among urban and rural areas of the United States; and

''(2) take into consideration the capability of the institution of higher education—

''(A) to offer relevant, high quality instruction and job skill training for students entering a high-growth occupation or industry;

''(B) to involve the local business community and to place graduates in the community in employment in high-growth occupations or industries;

''(C) to provide secondary students with dual-enrollment or concurrent enrollment options;

''(D) to serve nontraditional or low-income students, or adult or displaced workers; and

''(E) to serve students from rural or remote communities.

''(e) USE OF FUNDS.—Grant funds provided under this section may be used—

''(1) to expand or create academic programs or programs of training that provide relevant job skill training for high-growth occupations or industries;

''(2) to purchase equipment which will facilitate the development of academic programs or programs of training that provide training for high-growth occupations or industries;

''(3) to support outreach efforts that enable students to attend institutions of higher education with academic programs or programs of training focused on high-growth occupations or industries;

''(4) to expand or create programs for distance, evening, weekend, modular, or compressed learning opportunities that provide relevant job skill training in high-growth occupations or industries;

''(5) to build partnerships with local businesses in high-growth occupations or industries;

''(6) to support curriculum development related to entrepreneurial training; and

''(7) for other uses that the Secretary determines to be consistent with the intent of this section.

''(f) REQUIREMENTS.—

''(1) FISCAL AGENT.—For the purpose of this section, the institution of higher education in an eligible partnership shall serve as the fiscal agent and grant recipient for the eligible partnership.

''(2) DURATION.—The Secretary shall award grants under this section for periods that may not exceed 5 years.

''(3) SUPPLEMENT, NOT SUPPLANT.—Funds made available under this section shall be used to supplement and not supplant other Federal, State, and local funds available to the eligible partnership for carrying out the activities described in subsection (e).

''(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this part such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

"PART D—GRANT PROGRAM TO INCREASE STUDENT RETENTION AND PROMOTE ARTICULATION AGREEMENTS

"SEC. 841. GRANT PROGRAM TO INCREASE STUDENT RETENTION AND PROMOTE ARTICULATION AGREEMENTS.

''(a) AUTHORIZATION OF PROGRAM.—The Secretary shall award grants, on a competitive basis, to eligible institutions to enable the institutions to—

''(1) focus on increasing traditional and nontraditional student retention at such institutions; and

''(2) promote articulation agreements among different institutions that will increase the likelihood of progression of students at such institutions to baccalaureate degrees.

''(b) DEFINITION OF ELIGIBLE INSTITUTION.—In this section, the term 'eligible institution' means an institution of higher education (as defined in section 101(a)) where not less than 40 percent of such institution's student body receives financial aid under subpart 1 of part A of title IV.

''(c) APPLICATION.—An eligible institution that desires a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require, including the number of students proposed to be served and a description of the services that will be provided.

''(d) MANDATORY ACTIVITIES.—An eligible institution that receives a grant under this section shall use the grant funds to carry out each of the following:

''(1) Offering counseling and advisement services to help students adapt to postsecondary education and select appropriate coursework.

''(2) Making mentors available to students who are at risk for not completing a degree.

''(3) Providing detailed assistance to students who request help in understanding—

''(A) the options for financing their education, including information on grants, loans, and loan repayment programs;

''(B) the process of applying for financial assistance;

''(C) the outcome of their financial assistance application; and

''(D) any unanticipated problems related to financing their education that arise.

''(4) Offering tutoring to students at risk of dropping out of school with any course or subject.

''(5) Designing and implementing innovative ways to improve retention in and completion of courses, such as enrolling students in cohorts, providing counseling, or creating bridge programs that customize courses to the needs of special population students.

''(6) Conducting outreach activities so that all students know that these services are available and are aware of how to access the services.

''(7) Creating articulation agreements to promote smooth transition from two year to four year programs.

''(8) Making services listed in paragraphs (1) through (5) available in students' native languages, if it is not English, if the percentage of students needing translation services in a specific language exceeds 5 percent.

''(e) PERMISSIBLE ACTIVITIES.—An eligible institution that receives a grant under this section may use grant funds to carry out any of the following activities:

''(1) Designing innovative course schedules to meet the needs of working adults, such as online, modular, compressed, or other alternative methods.

''(2) Offering childcare during the hours when students have class or are studying.

''(3) Providing transportation assistance to students that helps such students manage their schedules.

''(4) Partnering with local businesses to create flexible work-hour programs so that students can balance work and school.

''(5) Offering time management or financial literacy seminars to help students improve their management skills.

''(6) Improving professional development to align instruction with innovative program designs.

''(7) Any other activities the Secretary believes will promote retention of students attending eligible institutions.

''(f) TECHNICAL ASSISTANCE.—The Secretary may enter into a contract with a private entity to provide such technical assistance to grantees under this section as the Secretary determines appropriate.

''(g) EVALUATION.—The Secretary shall conduct an evaluation of program impacts under the demonstration program, and shall disseminate to the public the findings from the evaluation and information on best practices.

''(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this and such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

"PART E—AMERICAN HISTORY FOR FREEDOM

"SEC. 851. AMERICAN HISTORY FOR FREEDOM.

''(a) GRANTS AUTHORIZED.—The Secretary is authorized to award 3-year grants, on a competitive basis, to eligible institutions to establish or strengthen postsecondary academic programs or centers that promote and impart knowledge of—

''(1) traditional American history;

''(2) the history and nature of, and threats to, free institutions; or

''(3) the history and achievements of Western civilization.

''(b) DEFINITIONS.—In this section:

''(1) ELIGIBLE INSTITUTION.—The term 'eligible institution' means an institution of higher education as defined in section 101.

''(2) FREE INSTITUTION.—The term 'free institution' means an institution that emerged out of Western civilization, such as democracy, constitutional government, individual rights, market economics, religious freedom and religious tolerance, and freedom of thought and inquiry.

''(3) TRADITIONAL AMERICAN HISTORY.—The term 'traditional American history' means—

''(A) the significant constitutional, political, intellectual, economic, and foreign policy trends and issues that have shaped the course of American history; and

''(B) the key episodes, turning points, and leading figures involved in the constitutional, political, intellectual, diplomatic, and economic history of the United States.

''(c) APPLICATION.—

''(1) IN GENERAL.—Each eligible institution that desires a grant under this part shall submit an application to the Secretary at such time, in such manner, and accompanied by such additional information as the Secretary may require.

''(2) CONTENTS.—Each application submitted under subsection (a) shall include a description of —

''(A) how funds made available under this part will be used for the activities set forth under subsection (e), including how such activities will increase knowledge with respect to traditional American history, free institutions, or Western civilization;

''(B) how the eligible institution will ensure that information about the activities funded under this part is widely disseminated pursuant to subsection (e)(1)(B);

''(C) any activities to be undertaken pursuant to subsection (e)(2)(A), including identification of entities intended to participate;

''(D) how funds made available under this part shall be used to supplement and not supplant non-Federal funds available for the activities described in subsection (e); and

''(E) such fiscal controls and accounting procedures as may be necessary to ensure proper disbursement of and accounting for funding made available to the eligible institution under this part.

''(d) AWARD BASIS.—In awarding grants under this part, the Secretary shall take into consideration the capability of the eligible institution to—

''(1) increase access to quality programming that expands knowledge of traditional American history, free institutions, or Western civilization;

''(2) involve personnel with strong expertise in traditional American history, free institutions, or Western civilization; and

''(3) sustain the activities funded under this part after the grant has expired.

''(e) USE OF FUNDS.—

''(1) REQUIRED USE OF FUNDS.—Funds provided under this part shall be used to—

''(A) establish or strengthen academic programs or centers focused on traditional American history, free institutions, or Western civilization, which may include—

''(i) design and implementation of programs of study, courses, lecture series, seminars, and symposia;

''(ii) development, publication, and dissemination of instructional materials;

''(iii) research;

''(iv) support for faculty teaching in undergraduate and, if applicable, graduate programs;

''(v) support for graduate and postgraduate fellowships, if applicable; or

''(vi) teacher preparation initiatives that stress content mastery regarding traditional American history, free institutions, or Western civilization; and

''(B) conduct outreach activities to ensure that information about the activities funded under this part is widely disseminated—

''(i) to undergraduate students (including students enrolled in teacher education programs, if applicable);

''(ii) to graduate students (including students enrolled in teacher education programs), if applicable;

''(iii) to faculty;

''(iv) to local educational agencies; and

''(v) within the local community.

''(2) ALLOWABLE USES OF FUNDS.—Funds provided under this part may be used to support—

''(A) collaboration with entities such as—

''(i) local educational agencies, for the purpose of providing elementary, middle and secondary school teachers an opportunity to enhance their knowledge of traditional American history, free institutions, or Western civilization; and

''(ii) nonprofit organizations whose mission is consistent with the purpose of this part, such as academic organizations, museums, and libraries, for assistance in carrying out activities described under subsection (a); and

''(B) other activities that meet the purposes of this part.

''(f) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this part, there are authorized to be appropriated such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

''PART F—TEACH FOR AMERICA

''SEC. 861. TEACH FOR AMERICA.

''(a) DEFINITIONS.—

''(1) IN GENERAL.—The terms 'highly qualified', 'local educational agency', and 'Secretary' have the meanings given the terms in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801).

''(2) GRANTEE.—The term 'grantee' means Teach For America, Inc.

''(3) HIGH NEED.—The term 'high need', when used with respect to a local educational agency, means a local educational agency experiencing a shortage of highly qualified teachers.

''(b) GRANTS AUTHORIZED.—The Secretary is authorized to award a grant to Teach For America, Inc., the national teacher corps of outstanding recent college graduates who commit to teach for 2 years in underserved communities in the United States, to implement and expand its program of recruiting, selecting, training, and supporting new teachers.

''(c) REQUIREMENTS.—In carrying out the grant program under subsection (b), the Secretary shall enter into an agreement with the grantee under which the grantee agrees to use the grant funds provided under this section—

''(1) to provide highly qualified teachers to high need local educational agencies in urban and rural communities;

''(2) to pay the cost of recruiting, selecting, training, and supporting new teachers; and

''(3) to serve a substantial number and percentage of underserved students.

''(d) AUTHORIZED ACTIVITIES.—

''(1) IN GENERAL.—Grant funds provided under this section shall be used by the grantee to carry out each of the following activities:

''(A) Recruiting and selecting teachers through a highly selective national process.

''(B) Providing preservice training to the teachers through a rigorous summer institute that includes hands-on teaching experience and significant exposure to education coursework and theory.

''(C) Placing the teachers in schools and positions designated by partner local educational agencies as high need placements serving underserved students.

''(D) Providing ongoing professional development activities for the teachers' first 2 years in the classroom, including regular classroom observations and feedback, and ongoing training and support.

''(2) LIMITATION.—The grantee shall use all grant funds received under this section to support activities related directly to the recruitment, selection, training, and support of teachers as described in subsection (a).

''(e) REPORTS AND EVALUATIONS.—

''(1) ANNUAL REPORT.—The grantee shall provide to the Secretary an annual report that includes—

''(A) data on the number and quality of the teachers provided to local educational agencies through a grant under this section;

''(B) an externally conducted analysis of the satisfaction of local educational agencies and principals with the teachers so provided; and

''(C) comprehensive data on the background of the teachers chosen, the training the teachers received, the placement sites of the teachers, the professional development of the teachers, and the retention of the teachers.

''(2) STUDY.—

''(A) IN GENERAL.—From funds appropriated under subsection (f), the Secretary shall provide for a study that examines the achievement levels of the students taught by the teachers assisted under this section.

''(B) ACHIEVEMENT GAINS COMPARED.—The study shall compare, within the same schools, the achievement gains made by students taught by teachers who are assisted under this section with the achievement gains made by students taught by teachers who are not assisted under this section.

''(3) REQUIREMENTS.—The Secretary shall provide for such a study not less than once every 3 years, and each such study shall include multiple placement sites and multiple schools within placement sites.

''(4) PEER REVIEW STANDARDS.—Each such study shall meet the peer review standards of the education research community.

''(f) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.

''(2) LIMITATION.—The grantee shall not use more than 25 percent of Federal funds from any source for administrative costs.

''PART G—PATSY T. MINK FELLOWSHIP PROGRAM

''SEC. 871. PATSY T. MINK FELLOWSHIP PROGRAM.

''(a) PURPOSE.—

''(1) IN GENERAL.—It is the purpose of this section to provide, through eligible institutions, a program of fellowship awards to assist highly qualified minorities and women to acquire the doctoral degree, or highest possible degree available, in academic areas in which such individuals are underrepresented for the purpose of enabling such individuals to enter the higher education professoriate.

''(2) DESIGNATION.—Each recipient of a fellowship award from an eligible institution receiving a grant under this section shall be known as a 'Patsy T. Mink Graduate Fellow'.

''(b) DEFINITIONS.—In this section, the term 'eligible institution' means an institution of higher education, or a consortium of such institutions, that offers a program of postbaccalaureate study leading to a graduate degree.

''(c) PROGRAM AUTHORIZED.—

''(1) GRANTS BY SECRETARY.—

''(A) IN GENERAL.—The Secretary shall award grants to eligible institutions to enable such institutions to make fellowship awards to individuals in accordance with the provisions of this section.

''(B) PRIORITY CONSIDERATION.—In awarding grants under this section, the Secretary shall consider the eligible institution's prior experience in producing doctoral degree, or highest possible degree available, holders who are minorities and women, and shall give priority consideration in making grants under this section to those eligible institutions with a demonstrated record of producing minorities and women who have earned such degrees.

''(2) APPLICATIONS.—

''(A) IN GENERAL.—An eligible institution that desires a grant under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(B) APPLICATIONS MADE ON BEHALF.—

''(i) IN GENERAL.—The following entities may submit an application on behalf of an eligible institution:

''(I) A graduate school or department of such institution.

''(II) A graduate school or department of such institution in collaboration with an undergraduate college or university of such institution.

''(III) An organizational unit within such institution that offers a program of postbaccalaureate study leading to a graduate degree, including an interdisciplinary or an interdepartmental program.

''(IV) A nonprofit organization with a demonstrated record of helping minorities and women earn postbaccalaureate degrees.

''(ii) NONPROFIT ORGANIZATIONS.—Nothing in this paragraph shall be construed to permit the Secretary to award a grant under this section to an entity other than an eligible institution.

''(3) SELECTION OF APPLICATIONS.—In awarding grants under subsection (a), the Secretary shall—

''(A) take into account—

''(i) the number and distribution of minority and female faculty nationally;

''(ii) the current and projected need for highly trained individuals in all areas of the higher education professoriate; and

''(iii) the present and projected need for highly trained individuals in academic career fields in which minorities and women are underrepresented in the higher education professoriate; and

''(B) consider the need to prepare a large number of minorities and women generally in academic career fields of high national priority, especially in areas in which such individuals are traditionally underrepresented in college and university faculties, such as mathematics, science, technology, and engineering.

''(4) DISTRIBUTION AND AMOUNTS OF GRANTS.—

''(A) EQUITABLE DISTRIBUTION.—In awarding grants under this section, the Secretary shall, to the maximum extent feasible, ensure an equitable geographic distribution of awards and an equitable distribution among public and independent eligible institutions that apply for grants under this section and that demonstrate an ability to achieve the purpose of this section.

''(B) SPECIAL RULE.—To the maximum extent practicable, the Secretary shall use not less than 30 percent of the amount appropriated pursuant to subsection (f) to award grants to eligible institutions that—

''(i) are eligible for assistance under title III or title V; or

''(ii) have formed a consortium that includes both non-minority serving institutions and minority serving institutions.

''(C) ALLOCATION.—In awarding grants under this section, the Secretary shall allocate appropriate funds to those eligible institutions whose applications indicate an ability to significantly increase the numbers of minorities and women entering the higher education professoriate and that commit institutional resources to the attainment of the purpose of this section.

''(D) NUMBER OF FELLOWSHIP AWARDS.—An eligible institution that receives a grant under this section shall make not less than 15 fellowship awards.

''(E) REALLOTMENT.—If the Secretary determines that an eligible institution awarded a grant under this section is unable to use all of the grant funds awarded to the institution, the Secretary shall reallot, on such date during each fiscal year as the Secretary may fix, the unused funds to other eligible institutions that demonstrate that such institutions can use any reallocated grant funds to make fellowship awards to individuals under this section.

''(5) INSTITUTIONAL ALLOWANCE.—

''(A) IN GENERAL.—

''(i) NUMBER OF ALLOWANCES.—In awarding grants under this section, the Secretary shall pay to each eligible institution awarded a grant, for each individual awarded a fellowship by such institution under this section, an institutional allowance.

''(ii) AMOUNT.—Except as provided in paragraph (3), an institutional allowance shall be in an amount equal to, for academic year 2006–2007 and succeeding academic years, the amount of institutional allowance made to an institution of higher education under section 715 for such academic year.

''(B) USE OF FUNDS.—Institutional allowances may be expended in the discretion of the eligible institution and may be used to provide, except as prohibited under paragraph (4), academic support and career transition services for individuals awarded fellowships by such institution.

''(C) REDUCTION.—The institutional allowance paid under paragraph (1) shall be reduced by the amount the eligible institution charges and collects from a fellowship recipient for tuition and other expenses as part of the recipient's instructional program.

''(D) USE FOR OVERHEAD PROHIBITED.—Funds made available under this section may not be used for general operational overhead of the academic department or institution receiving funds under this section.

''(d) FELLOWSHIP RECIPIENTS.—

''(1) AUTHORIZATION.—An eligible institution that receives a grant under this section shall use the grant funds to make fellowship awards to minorities and women who are enrolled at such institution in a doctoral degree, or highest possible degree available, program and—

''(A) intend to pursue a career in instruction at—

''(i) an institution of higher education (as the term is defined in section 101);

''(ii) an institution of higher education (as the term is defined in section 102(a)(1));

''(iii) an institution of higher education outside the United States (as the term is described in section 102(a)(2)); or

''(iv) a proprietary institution of higher education (as the term is defined in section 102(b)); and

''(B) sign an agreement with the Secretary agreeing—

''(i) to begin employment at an institution described in paragraph (1) not later than 3 years after receiving the doctoral degree or highest possible degree available, which 3-year period may be extended by the Secretary for extraordinary circumstances; and

''(ii) to be employed by such institution for 1 year for each year of fellowship assistance received under this section.

''(2) FAILURE TO COMPLY.—If an individual who receives a fellowship award under this section fails to comply with the agreement signed pursuant to subsection (a)(2), then the Secretary shall do 1 or both of the following:

''(A) Require the individual to repay all or the applicable portion of the total fellowship amount awarded to the individual by converting the balance due to a loan at the interest rate applicable to loans made under part B of title IV.

''(B) Impose a fine or penalty in an amount to be determined by the Secretary.

''(3) WAIVER AND MODIFICATION.—

''(A) REGULATIONS.—The Secretary shall promulgate regulations setting forth criteria to be considered in granting a waiver for the service requirement under subsection (a)(2).

''(B) CONTENT.—The criteria under paragraph (1) shall include whether compliance with the service requirement by the fellowship recipient would be—

''(i) inequitable and represent an extraordinary hardship; or

''(ii) deemed impossible because the individual is permanently and totally disabled at the time of the waiver request.

''(4) AMOUNT OF FELLOWSHIP AWARDS.—Fellowship awards under this section shall consist of a stipend in an amount equal to the level of support provided to the National Science Foundation graduate fellows, except that such stipend shall be adjusted as necessary so as not to exceed the fellow's tuition and fees or demonstrated need (as determined by the institution of higher education where the graduate student is enrolled), whichever is greater.

''(5) ACADEMIC PROGRESS REQUIRED.—An individual student shall not be eligible to receive a fellowship award—

''(A) except during periods in which such student is enrolled, and such student is maintaining satisfactory academic progress in, and devoting essentially full time to, study or research in the pursuit of the degree for which the fellowship support was awarded; and

''(B) if the student is engaged in gainful employment, other than part-time employment in teaching, research, or similar activity determined by the eligible institution to be consistent with and supportive of the student's progress toward the appropriate degree.

''(e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require an eligible institution that receives a grant under this section—

''(1) to grant a preference or to differentially treat any applicant for a faculty position as a result of the institution's participation in the program under this section; or

''(2) to hire a Patsy T. Mink Fellow who completes this program and seeks employment at such institution.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2006 for each of the 5 succeeding fiscal years.

"PART H—STUDY ON COLLEGE ENROLLMENT BY SECONDARY SCHOOLS

"SEC. 881. STUDY ON COLLEGE ENROLLMENT BY SECONDARY SCHOOLS.

''The Secretary shall contract with a not-for-profit organization, with demonstrated expertise in increasing college enrollment rates in low-income communities nationwide, to make publicly available year-to-year college enrollment rate trends by secondary schools, in full compliance with the Family Educational Rights and Privacy Act of 1974 (FERPA).''.

CHAPTER 10—AMENDMENTS TO OTHER LAWS

Subchapter A—Education of the Deaf Act of 1986

SEC. 7901. LAURENT CLERC NATIONAL DEAF EDUCATION CENTER.

Section 104 of the Education of the Deaf Act of 1986 (20 U.S.C. 4304) is amended—

(1) by striking the heading and inserting ''laurent clerc national deaf education center'';

(2) in subsection (a)(1)(A), by inserting ''the Laurent Clerc National Deaf Education Center (referred to in this section as the 'Clerc Center') to carry out'' after ''maintain and operate''; and

(3) in subsection (b)—

(A) in the matter preceding subparagraph (A) of paragraph (1), by striking ''elementary and secondary education programs'' and inserting ''Clerc Center'';

(B) in paragraph (2), by striking ''elementary and secondary education programs'' and inserting ''Clerc Center''; and

(C) by adding at the end the following:

''(5) The University, for purposes of the elementary and secondary education programs carried out at the Clerc Center, shall—

''(A)(i) select challenging academic content standards, challenging student academic achievement standards, and academic assessments of a State, adopted and implemented, as appropriate, pursuant to paragraphs (1) and (3) of section 1111(b) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6311(b)(1) and (3)) and approved by the Secretary; and

''(ii) implement such standards and assessments for such programs by not later than the beginning of the 2008–2009 academic year;

''(B) annually determine whether such programs at the Clerc Center are making adequate yearly progress, as determined according to the definition of adequate yearly progress defined (pursuant to section 1111(b)(2)(C) of such Act (20 U.S.C. 6311(b)(2)(C))) by the State that has adopted and implemented the standards and assessments selected under subparagraph (A)(i); and

''(C) publicly report the results of the academic assessments implemented under subparagraph (A) and whether the programs at the Clerc Center are making adequate yearly progress, as determined under subparagraph (B).''.

SEC. 7902. AGREEMENT WITH GALLAUDET UNIVERSITY.

Section 105(b)(4) of the Education of the Deaf Act of 1986 (20 U.S.C. 4305(b)(4)) is amended—

(1) by striking ''the Act of March 3, 1931 (40 U.S.C. 276a–276a–5) commonly referred to as the Davis-Bacon Act'' and inserting ''subchapter IV of chapter 31 of title 40, United States Code, commonly referred to as the Davis-Bacon Act''; and

(2) by striking ''section 2 of the Act of June 13, 1934 (40 U.S.C. 276c)'' and inserting ''section 3145 of title 40, United States Code''.

SEC. 7903. AGREEMENT FOR THE NATIONAL TECHNICAL INSTITUTE FOR THE DEAF.

Section 112 of the Education of the Deaf Act of 1986 (20 U.S.C. 4332) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) in the first sentence—

(I) by striking ''an institution of higher education'' and inserting ''the Rochester Institute of Technology, Rochester, New York''; and

(II) by striking ''of a'' and inserting ''of the''; and

(ii) by striking the second sentence;

(B) by redesignating paragraph (2) as paragraph (3); and

(C) by inserting after paragraph (1) the following:

''(2) Notwithstanding the requirement under paragraph (1), if the Secretary or the Rochester Institute of Technology terminates the agreement under paragraph (1), the Secretary shall consider proposals from other institutions of higher education and enter into an agreement with 1 of such institutions for the establishment and operation of a National Technical Institution for the Deaf.''; and

(2) in subsection (b)—

(A) in paragraph (3), by striking ''Committee on Education and Labor of the House of Representatives and to the Committee on Labor and Human Resources of the Senate'' and inserting ''Committee on Education and the Workforce of the House of Representatives and to the Committee on Health, Education, Labor, and Pensions of the Senate''; and

(B) in paragraph (5)—

(i) by striking ''the Act of March 3, 1931 (40 U.S.C. 276a–276a–5) commonly referred to as the Davis-Bacon Act'' and inserting ''subchapter IV of chapter 31 of title 40, United States Code, commonly referred to as the Davis-Bacon Act''; and

(ii) by striking ''section 2 of the Act of June 13, 1934 (40 U.S.C. 276c)'' and inserting ''section 3145 of title 40, United States Code''.

SEC. 7904. CULTURAL EXPERIENCES GRANTS.

(a) CULTURAL EXPERIENCES GRANTS.—Title I of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.) is amended by adding at the end the following:

''PART C—OTHER PROGRAMS

''SEC. 121. CULTURAL EXPERIENCES GRANTS.

''(a) IN GENERAL.—The Secretary shall, on a competitive basis, make grants to, and enter into contracts and cooperative agreements with, eligible entities to support the activities described in subsection (b).

''(b) ACTIVITIES.—In carrying out this section, the Secretary shall support activities providing cultural experiences, through appropriate nonprofit organizations with a demonstrated proficiency in providing such activities, that—

''(1) enrich the lives of deaf and hard-of-hearing children and adults;

''(2) increase public awareness and understanding of deafness and of the artistic and intellectual achievements of deaf and hard-of-hearing persons; or

''(3) promote the integration of hearing, deaf, and hard-of-hearing persons through shared cultural, educational, and social experiences.

''(c) APPLICATIONS.—An eligible entity that desires to receive a grant, or enter into a contract or cooperative agreement, under this section shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2006 and each of the 5 succeeding fiscal years.''.

(b) CONFORMING AMENDMENT.—The title heading of title I of the Education of the Deaf Act of 1986 (20 U.S.C. 4301 et seq.) is amended by adding at the end ''; OTHER PROGRAMS''.

SEC. 7905. AUDIT.

Section 203 of the Education of the Deaf Act of 1986 (20 U.S.C. 4353) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking the second sentence and inserting the following: ''The institution of higher education that the Secretary has an agreement with under section 112 shall have an annual independent financial and compliance audit made of NTID programs and activities. The audit shall follow the cycle of the Federal fiscal year.'';

(B) in paragraph (2), by striking ''sections'' and all that follows through the period and inserting ''sections 102(b), 105(b)(4), 112(b)(5), 203(c), 207(b)(2), subsections (c) through (f) of section 207, and subsections (b) and (c) of section 209.''; and

(C) in paragraph (3), by inserting ''and the Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate'' after ''Secretary''; and

(2) in subsection (c)(2)(A), by striking ''Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate'' and inserting ''Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate''.

SEC. 7906. REPORTS.

Section 204 of the Education of the Deaf Act of 1986 (20 U.S.C. 4354) is amended—

(1) in the matter preceding paragraph (1), by striking ''Committee on Education and Labor of the House of Representatives and the Committee on Labor and Human Resources of the Senate'' and inserting ''Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate'';

(2) in paragraph (1), by striking ''preparatory,'';

(3) in paragraph (2)(C), by striking ''upon graduation/completion'' and inserting ''on the date that is 1 year after the date of graduation or completion''; and

(4) in paragraph (3)(B), by striking ''of the institution of higher education'' and all that follows through the period and inserting ''of NTID programs and activities.''.

SEC. 7907. MONITORING, EVALUATION, AND REPORTING.

Section 205 of the Education of the Deaf Act of 1986 (20 U.S.C. 4355) is amended—

(1) in subsection (b), by striking ''The Secretary, as part of the annual report required under section 426 of the Department of Education Organization Act, shall include a description of'' and inserting ''The Secretary shall annually transmit information to Congress on''; and

(2) in subsection (c), by striking ''fiscal years 1998 through 2003'' and inserting ''fiscal years 2006 through 2010''.

SEC. 7908. LIAISON FOR EDUCATIONAL PROGRAMS.

Section 206(a) of the Education of the Deaf Act of 1986 (20 U.S.C. 4356(a)) is amended by striking ''Not later than 30 days after the date of enactment of this Act, the'' and inserting ''The''.

SEC. 7909. FEDERAL ENDOWMENT PROGRAMS FOR GALLAUDET UNIVERSITY AND THE NATIONAL TECHNICAL INSTITUTE FOR THE DEAF.

Section 207(h) of the Education of the Deaf Act of 1986 (20 U.S.C. 4357(h)) is amended by striking ''fiscal years 1998 through 2003'' each place it appears and inserting ''fiscal years 2006 through 2010''.

SEC. 7910. OVERSIGHT AND EFFECT OF AGREEMENTS.

Section 208(a) of the Education of the Deaf Act of 1986 (20 U.S.C. 4359(a)) is amended by striking ''Committee on Labor and Human Resources of the Senate and the Committee on Education and the Workforce of the House of Representatives'' and inserting ''Committee on Education and the Workforce of the House of Representatives and the Committee on Health, Education, Labor, and Pensions of the Senate''.

SEC. 7911. INTERNATIONAL STUDENTS.

Section 209 of the Education of the Deaf Act of 1986 (20 U.S.C. 4359a) is amended—

(1) in subsection (a)—

(A) by striking ''preparatory, undergraduate,'' and inserting ''undergraduate'';

(B) by striking ''Effective with'' and inserting the following:

''(1) IN GENERAL.—Except as provided in paragraph (2), effective with''; and

(C) by adding at the end the following:

''(2) DISTANCE LEARNING.—International students who participate in distance learning courses that are at NTID or the University and who are residing outside of the United States shall—

''(A) not be counted as international students for purposes of the cap on international students under paragraph (1), except that in any school year no United States citizen who applies to participate in distance learning courses that are at the University or NTID shall be denied participation in such courses because of the participation of an international student in such courses; and

''(B) not be charged a tuition surcharge, as described in subsection (b).''; and

(2) by striking subsections (b), (c), and (d), and inserting the following:

''(b) TUITION SURCHARGE.—Except as provided in subsections (a)(2)(B) and (c), the tuition for postsecondary international students enrolled in the University (including undergraduate and graduate students) or NTID shall include, for academic year 2007–2008 and any succeeding academic year, a surcharge of—

''(1) 100 percent for a postsecondary international student from a non-developing country; and

''(2) 50 percent for a postsecondary international student from a developing country.

''(c) REDUCTION OF SURCHARGE.—

''(1) IN GENERAL.—Beginning with the academic year 2007–2008, the University or NTID may reduce the surcharge—

''(A) under subsection (b)(1) to 50 percent if—

''(i) a student described under subsection (b)(1) demonstrates need; and

''(ii) such student has made a good faith effort to secure aid through such student's government or other sources; and

''(B) under subsection (b)(2) to 25 percent if—

''(i) a student described under subsection (b)(2) demonstrates need; and

''(ii) such student has made a good faith effort to secure aid through such student's government or other sources.

''(2) DEVELOPMENT OF SLIDING SCALE.—The University and NTID shall develop a sliding scale model that—

''(A) will be used to determine the amount of a tuition surcharge reduction pursuant to paragraph (1); and

''(B) shall be approved by the Secretary.

''(d) DEFINITION.—In this section, the term 'developing country' means a country with a per-capita income of not more than $4,825, measured in 1999 United States dollars, as adjusted by the Secretary to reflect inflation since 1999.''.

SEC. 7912. RESEARCH PRIORITIES.

Section 210(b) of the Education of the Deaf Act of 1986 (20 U.S.C. 4359b(b)) is amended by striking ''Committee on Labor and Human Resources of the Senate'' and inserting ''Committee on Health, Education, Labor, and Pensions of the Senate''.

SEC. 7913. AUTHORIZATION OF APPROPRIATIONS.

Section 212 of the Education of the Deaf Act of 1986 (20 U.S.C. 4360a) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by striking ''fiscal years 1998 through 2003'' and inserting ''fiscal years 2006 through 2011''; and

(2) in subsection (b), by striking ''fiscal years 1998 through 2003'' and inserting ''fiscal years 2006 through 2011''.

Subchapter B—United States Institute of Peace Act

SEC. 7921. UNITED STATES INSTITUTE OF PEACE ACT.

(a) POWERS AND DUTIES.—Section 1705(b)(3) of the United States Institute of Peace Act (22 U.S.C. 4604(b)(3)) is amended by striking ''the Arms Control and Disarmament Agency,''.

(b) BOARD OF DIRECTORS.—Section 1706 of the United States Institute of Peace Act (22 U.S.C. 4605) is amended—

(1) by striking ''(b)(5)'' each place the term appears and inserting ''(b)(4)''; and

(2) in subsection (e), by adding at the end the following:

''(5) The term of a member of the Board shall not commence until the member is confirmed by the Senate and sworn in as a member of the Board.''.

(c) FUNDING.—Section 1710 of the United States Institute of Peace Act (22 U.S.C. 4609) is amended by adding at the end the following:

''(d) EXTENSION.—Any authorization of appropriations made for the purposes of carrying out this title shall be extended in the same manner as applicable programs are extended under section 422 of the General Education Provisions Act.''.

Subchapter C—The Higher Education Amendments of 1998

SEC. 7931. REPEALS.

The following provisions of title VIII of the Higher Education Amendments of 1998 (Public Law 105–244) are repealed:

(1) Part A.

(2) Part C (20 U.S.C. 1070 note).

(3) Part F (20 U.S.C. 1862 note).

(4) Part J.

(5) Section 861.

(6) Section 863.

SEC. 7932. GRANTS TO STATES FOR WORKPLACE AND COMMUNITY TRANSITION TRAINING FOR INCARCERATED YOUTH OFFENDERS.

Section 821(b) of the Higher Education Amendment of 1988 is amended by striking ''25'' and inserting ''35''.

Subchapter D—Indian Education

PART I—TRIBAL COLLEGES AND UNIVERSITIES

SEC. 7941. REAUTHORIZATION OF THE TRIBALLY CONTROLLED COLLEGE OR UNIVERSITY ASSISTANCE ACT OF 1978.

(a) CLARIFICATION OF THE DEFINITION OF NATIONAL INDIAN ORGANIZATION.—Section 2(a)(6) of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801(a)(6)) is amended by striking ''in the field of Indian education'' and inserting ''in the fields of tribally controlled colleges and universities and Indian higher education''.

(b) INDIAN STUDENT COUNT.—Section 2(a) of the Tribally Controlled College or University Assistance Act (25 U.S.C. 1801(a)) is amended—

(1) by redesignating paragraphs (7) and (8) as paragraphs (8) and (9), respectively; and

(2) by inserting after paragraph (6) the following:

''(7) 'Indian student' means a student who is—

''(A) a member of an Indian tribe; or

''(B) a biological child of a member of an Indian tribe, living or deceased;''.

(c) CONTINUING EDUCATION.—Section 2(b) of the Tribally Controlled College or University Assistance Act (25 U.S.C. 1801(b)) is amended by striking paragraph (5) and inserting the following:

''(5) DETERMINATION OF CREDITS.—Eligible credits earned in a continuing education program—

''(A) shall be determined as 1 credit for every 10 contact hours in the case of an institution on a quarter system, or 15 contact hours in the case of an institution on a semester system, of participation in an organized continuing education experience under responsible sponsorship, capable direction, and qualified instruction, as described in the criteria established by the International Association for Continuing Education and Training; and

''(B) shall be limited to 10 percent of the Indian student count of a tribally controlled college or university.''.

(d) ACCREDITATION REQUIREMENT.—Section 103 of the Tribally Controlled College or University Assistance Act (25 U.S.C. 1804) is amended—

(1) in paragraph (2), by striking ''and'' at the end;

(2) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(3) by inserting after paragraph (3), the following:

''(4)(A) is accredited by a nationally recognized accrediting agency or association determined by the Secretary of Education to be a reliable authority with regard to the quality of training offered; or

''(B) is, according to such an agency or association, making reasonable progress toward accreditation.''.

(e) TECHNICAL ASSISTANCE CONTRACT AWARDS.—Section 105 of the Tribally Controlled College or University Assistance Act (25 U.S.C. 1805) is amended in the second sentence by striking ''In the awarding of contracts for technical assistance, preference shall be given'' and inserting ''The Secretary shall direct that contracts for technical assistance be awarded''.

(f) TITLE I REAUTHORIZATION.—Section 110(a) of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1810(a)) is amended—

(1) in paragraphs (1), (2), (3), and (4), by striking ''1999'' and inserting ''2006'';

(2) in paragraphs (1), (2), and (3), by striking ''4 succeeding'' and inserting ''5 succeeding'';

(3) in paragraph (2), by striking ''$40,000,000'' and inserting ''such sums as may be necessary'';

(4) in paragraph (3), by striking ''$10,000,000'' and inserting ''such sums as may be necessary''; and

(5) in paragraph (4), by striking ''succeeding 4'' and inserting ''5 succeeding''.

(g) TITLE III REAUTHORIZATION.—Section 306(a) of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1836(a)) is amended—

(1) by striking ''1999'' and inserting ''2006''; and

(2) by striking ''4 succeeding'' and inserting ''5 succeeding''.

(h) TITLE IV REAUTHORIZATION.—Section 403 of the Tribal Economic Development and Technology Related Education Assistance Act of 1990 (25 U.S.C. 1852) is amended—

(1) by striking ''$2,000,000 for fiscal year 1999'' and inserting ''such sums as may be necessary for fiscal year 2006''; and

(2) by striking ''4 succeeding'' and inserting ''5 succeeding''.

PART II—NAVAJO HIGHER EDUCATION

SEC. 7945. SHORT TITLE.

This part may be cited as the ''Navajo Nation Higher Education Act of 2005''.

SEC. 7946. REAUTHORIZATION OF NAVAJO COMMUNITY COLLEGE ACT.

(a) PURPOSE.—Section 2 of the Navajo Community College Act (25 U.S.C. 640a) is amended—

(1) by striking ''Navajo Tribe of Indians'' and inserting ''Navajo Nation''; and

(2) by striking ''the Navajo Community College'' and inserting ''Diné College''.

(b) GRANTS.—Section 3 of the Navajo Community College Act (25 U.S.C. 640b) is amended—

(1) in the first sentence—

(A) by inserting ''the'' before ''Interior'';

(B) by striking ''Navajo Tribe of Indians'' and inserting ''Navajo Nation''; and

(C) by striking ''the Navajo Community College'' and inserting ''Diné College''; and

(2) in the second sentence—

(A) by striking ''Navajo Tribe'' and inserting ''Navajo Nation''; and

(B) by striking ''Navajo Indians'' and inserting ''Navajo people''.

(c) STUDY OF FACILITIES NEEDS.—Section 4 of the Navajo Community College Act (25 U.S.C. 640c) is amended—

(1) in subsection (a)—

(A) in the first sentence—

(i) by striking ''the Navajo Community College'' and inserting ''Diné College''; and

(ii) by striking ''August 1, 1979'' and inserting ''October 31, 2009''; and

(B) in the second sentence, by striking ''Navajo Tribe'' and inserting ''Navajo Nation'';

(2) in subsection (b), by striking ''the date of enactment of the Tribally Controlled Community College Assistance Act of 1978'' and inserting ''October 1, 2006''; and

(3) in subsection (c), in the first sentence, by striking ''the Navajo Community College'' and inserting ''Diné College''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 5 of the Navajo Community College Act (25 U.S.C. 640c–1) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''$2,000,000'' and all that follows through the end of the paragraph and inserting ''such sums as are necessary for fiscal years 2006 through 2011.''; and

(B) by adding at the end the following:

''(3) Sums described in paragraph (2) shall be used to provide grants for construction activities, including the construction of buildings, water and sewer facilities, roads, information technology and telecommunications infrastructure, classrooms, and external structures (such as walkways).'';

(2) in subsection (b)(1)—

(A) in the matter preceding subparagraph (A)—

(i) by striking ''the Navajo Community College'' and inserting ''Diné College''; and

(ii) by striking '', for each fiscal year'' and all that follows through ''for—'' and inserting ''such sums as are necessary for fiscal years 2006 through 2011 to pay the cost of—'';

(B) in subparagraph (A)—

(i) by striking ''college'' and inserting ''College'';

(ii) in clauses (i) and (iii), by striking the commas at the ends of the clauses and inserting semicolons; and

(iii) in clause (ii), by striking '', and'' at the end and inserting ''; and'';

(C) in subparagraph (B), by striking the comma at the end and inserting a semicolon;

(D) in subparagraph (C), by striking '', and'' at the end and inserting a semicolon;

(E) in subparagraph (D), by striking the period at the end and inserting ''; and''; and

(F) by adding at the end the following:

''(E) improving and expanding the College, including by providing, for the Navajo people and others in the community of the College—

''(i) higher education programs;

''(ii) vocational and technical education;

''(iii) activities relating to the preservation and protection of the Navajo language, philosophy, and culture;

''(iv) employment and training opportunities;

''(v) economic development and community outreach; and

''(vi) a safe learning, working, and living environment.''; and

(3) in subsection (c), by striking ''the Navajo Community College'' and inserting ''Diné College''.

(e) EFFECT ON OTHER LAWS.—Section 6 of the Navajo Community College Act (25 U.S.C. 640c–2) is amended—

(1) by striking ''the Navajo Community College'' each place it appears and inserting ''Diné College''; and

(2) in subsection (b), by striking ''college'' and inserting ''College''.

(f) PAYMENTS; INTEREST.—Section 7 of the Navajo Community College Act (25 U.S.C. 640c–3) is amended by striking ''the Navajo Community College'' each place it appears and inserting ''Diné College''.

Subtitle D—Hurricane Relief

SEC. 7947. FINDINGS.

Congress finds the following:

(1) Hurricane Katrina has had a devastating and unprecedented impact on students who attended schools in the disaster areas.

(2) Due to the devastating effects of Hurricane Katrina, a significant number of students have enrolled in schools outside of the area in which they resided on August 22, 2005, including a significant number of students who enrolled in non-public schools because their parents chose to enroll them in such schools.

(3) 372,000 students were displaced by Hurricane Katrina. Approximately 700 schools have been damaged or destroyed. Nine States each have more than 1,000 of such displaced students enrolled in their schools. In Texas alone, over 45,000 displaced students have enrolled in schools.

(4) In response to these extraordinary conditions, this subtitle creates a one-time only emergency grant for the 2005–2006 school year tailored to the needs and particular circumstances of students displaced by Hurricane Katrina.

SEC. 7948. IMMEDIATE AID TO RESTART SCHOOL OPERATIONS.

(a) PURPOSE.—It is the purpose of this section—

(1) to provide immediate and direct assistance to local educational agencies in Louisiana, Mississippi, and Alabama that serve an area in which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), related to Hurricane Katrina;

(2) to assist school district administrators and personnel of such agencies who are working to restart operations in elementary schools and secondary schools served by such agencies; and

(3) to facilitate the re-opening of elementary schools and secondary schools served by such agencies and the re-enrollment of students in such schools as soon as possible.

(b) PAYMENTS AND GRANTS AUTHORIZED.—From amounts appropriated to carry out this subtitle, the Secretary of Education is authorized to make payments, not later than November 30, 2005, to State educational agencies (as defined in section 9101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801 et seq.)) in Louisiana, Mississippi, and Alabama to enable such agencies to award grants to local educational agencies serving an area in which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), related to Hurricane Katrina.

(c) ELIGIBILITY AND CONSIDERATION.—In determining whether to award a grant under this section, or the amount of the grant, the State educational agency shall consider the following:

(1) The number of school-aged children served by the local educational agency in the academic year preceding the academic year for which the grant is awarded.

(2) The severity of the impact of Hurricane Katrina on the local educational agency and the extent of the needs in each local educational agency in Louisiana, Mississippi, and Alabama that is in an area in which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), related to Hurricane Katrina.

(d) APPLICATIONS.—Each local educational agency desiring a grant under this section shall submit an application to the State educational agency at such time, in such manner, and accompanied by such information as the State educational agency may reasonably require to ensure expedited and timely payment to the local educational agency.

(e) USES OF FUNDS.—

(1) IN GENERAL.—A local educational agency receiving a grant under this section shall use the grant funds for—

(A) recovery of student and personnel data, and other electronic information;

(B) replacement of school district information systems, including hardware and software;

(C) financial operations;

(D) reasonable transportation costs;

(E) rental of mobile educational units and leasing of neutral sites or spaces;

(F) initial replacement of instructional materials and equipment, including textbooks;

(G) redeveloping instructional plans, including curriculum development;

(H) initiating and maintaining education and support services; and

(I) such other activities related to the purpose of this section that are approved by the Secretary.

(2) USE WITH OTHER AVAILABLE FUNDS.—A local educational agency receiving a grant under this section may use the grant funds in coordination with other Federal, State, or local funds available for the activities described in paragraph (1).

(3) PROHIBITIONS.—Grant funds received under this section shall not be used for any of the following:

(A) Construction or major renovation of schools.

(B) Payments to school administrators or teachers who are not actively engaged in restarting or re-opening schools.

(f) SUPPLEMENT NOT SUPPLANT.—

(1) IN GENERAL.—Except as provided in paragraph (2), funds made available under this section shall be used to supplement, not supplant, any funds made available through the Federal Emergency Management Agency or through a State.

(2) EXCEPTION.—Paragraph (1) shall not prohibit the provision of Federal assistance under this section to an eligible educational agency that is or may be entitled to receive, from another source, benefits for the same purposes as under this section if—

(A) such agency has not received such other benefits by the time of application for Federal assistance under this section; and

(B) such agency agrees to repay all duplicative Federal assistance received to carry out the purposes of this section.

SEC. 7949. HOLD HARMLESS FOR LOCAL EDUCATIONAL AGENCIES SERVING MAJOR DISASTER AREAS.

In the case of a local educational agency that serves an area in which the President has declared that a major disaster exists in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), related to Hurricane Katrina, the amount made available for such local educational agency under each of sections 1124, 1124A, 1125, and 1125A of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6333, 6334, 6335, and 6337) for fiscal year 2006 shall be not less than the amount made available for such local educational agency under each of such sections for fiscal year 2005.

SEC. 7950. TEACHER AND PARAPROFESSIONAL RECIPROCITY; DELAY.

(a) TEACHER AND PARAPROFESSIONAL RECIPROCITY.—

(1) TEACHERS.—

(A) AFFECTED TEACHER.—In this subsection, the term ''affected teacher'' means a teacher who is displaced due to Hurricane Katrina and relocates to a State that is different from the State in which such teacher resided on August 22, 2005.

(B) IN GENERAL.—A local educational agency may consider an affected teacher hired by such agency who is not highly qualified in the State in which such agency is located to be highly qualified, for purposes of section 1119 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6319) and section 612(a)(14) of the Individuals with Disabilities

Education Act (20 U.S.C. 1412(a)(14)), for a period not to exceed 1 year, if such teacher was highly qualified, consistent with section 9101(23) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7801(23)) and section 602(10) of the Individuals with Disabilities Education Act (20 U.S.C. 1401(10)), on or before August 22, 2005, in the State in which such teacher resided on August 22, 2005.

(2) PARAPROFESSIONAL.—

(A) AFFECTED PARAPROFESSIONAL.—In this subsection, the term ''affected paraprofessional'' means a paraprofessional who is displaced due to Hurricane Katrina and relocates to a State that is different from the State in which such paraprofessional resided on August 22, 2005.

(B) IN GENERAL.—A local educational agency may consider an affected paraprofessional hired by such agency who does not satisfy the requirements of section 1119(c) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6319(c)) in the State in which such agency is located to satisfy such requirements, for purposes of such section, for a period not to exceed 1 year, if such paraprofessional satisfied such requirements on or before August 22, 2005, in the State in which such paraprofessional resided on August 22, 2005.

(b) DELAY.—The Secretary of Education may delay, for a period not to exceed 1 year, applicability of the requirements of paragraphs (2) and (3) of section 1119(a) of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6319(a)(2) and (3)) and section 612(a)(14)(C) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(14)(C)) with respect to the States of Alabama, Louisiana, and Mississippi (and local educational agencies within the jurisdiction of such States), if any such State or local educational agency demonstrates that a failure to comply with such requirements is due to exceptional or uncontrollable circumstances, such as a natural disaster or a precipitous and unforeseen decline in the financial resources of local educational agencies within the State.

SEC. 7951. ASSISTANCE FOR HOMELESS YOUTH.

(a) IN GENERAL.—The Secretary of Education shall provide assistance to local educational agencies serving homeless children and youths displaced by Hurricane Katrina, consistent with section 723 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11433), including identification, enrollment assistance, assessment and school placement assistance, transportation, coordination of school services, supplies, referrals for health, mental health, and other needs.

(b) EXCEPTION AND DISTRIBUTION OF FUNDS.—

(1) EXCEPTION.—For purposes of providing assistance under subsection (a), subsections (c) and (e)(1) of section 722 and subsections (b) and (c) of section 723 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11432(c) and (e)(1), 11433(b) and (c)) shall not apply.

(2) DISBURSEMENT.—The Secretary of Education shall disburse funding provided under subsection (a) to State educational agencies based on demonstrated need, as determined by the Secretary, and such State educational agencies shall distribute funds, that are appropriated under section 7958 and available to carry out this section, to local educational agencies based on demonstrated need, for the purposes of carrying out section 723 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11433).

SEC. 7952. TEMPORARY EMERGENCY IMPACT AID FOR DISPLACED STUDENTS.

(a) TEMPORARY EMERGENCY IMPACT AID AUTHORIZED.—

(1) AID TO STATE EDUCATIONAL AGENCIES.—From amounts appropriated under this subtitle, the Secretary of Education shall provide emergency impact aid to State educational agencies to enable the State educational agencies to make emergency impact aid payments to eligible local educational agencies and eligible BIA-funded schools to enable—

(A) such eligible local educational agencies and schools to provide for the instruction of displaced students served by such agencies and schools; and

(B) such eligible local educational agencies to make immediate impact aid payments to accounts established on behalf of displaced students (referred to in this section as ''accounts'') who are attending eligible non-public schools located in the areas served by the eligible local educational agencies.

(2) AID TO LOCAL EDUCATIONAL AGENCIES AND BIA-FUNDED SCHOOLS.—A State educational agency shall make emergency impact aid payments to eligible local educational agencies and eligible BIA-funded schools in accordance with subsection (d).

(3) STATE EDUCATIONAL AGENCIES IN CERTAIN STATES.—In the case of the States of Louisiana and Mississippi, the State educational agency shall carry out the activities of eligible local educational agencies that are unable to carry out this section, including eligible local educational agencies in such States for which the State exercises the authorities normally exercised by such local educational agencies.

(b) DEFINITIONS.—In this section:

(1) DISPLACED STUDENT.—The term ''displaced student'' means a student who enrolled in a school (other than the school that the student was enrolled in, or was eligible to be enrolled in, on August 22, 2005) because such student resides or resided on August 22, 2005, in an area for which a major disaster has been declared in accordance with section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5170), related to Hurricane Katrina.

(2) ELIGIBLE LOCAL EDUCATIONAL AGENCIES.—The term ''eligible local educational agency'' means a local educational agency that serves—

(A) an elementary school or secondary school (including a charter school) in which there is enrolled a displaced student; or

(B) an area in which there is located an eligible non-public school.

(3) ELIGIBLE NON-PUBLIC SCHOOL.—The term ''eligible non-public school'' means a non-public school that—

(A) is accredited or licensed or otherwise operates in accordance with State law;

(B) was in existence on August 22, 2005; and

(C) serves a displaced student on behalf of whom an application for an account has been made pursuant to subsection (c)(2)(A)(ii).

(4) ELIGIBLE BIA-FUNDED SCHOOL.—In this section, the term ''eligible BIA-funded school'' means a school funded by the Bureau of Indian Affairs in which there is enrolled a displaced student.

(c) APPLICATION.—

(1) STATE EDUCATIONAL AGENCY.—A State educational agency that desires to receive emergency impact aid under this section shall submit an application to the Secretary of Education at such time, in such manner, and accompanied by such information as the Secretary of Education may reasonably require, including—

(A) information on the total displaced student child count of the State provided by eligible local educational agencies in the State and eligible BIA-funded schools in the State under paragraph (2);

(B) a description of the process for the parent or guardian of a displaced student enrolled in a non-public school to indicate to the eligible local educational agency serving the area in which such school is located that the student is enrolled in such school;

(C) a description of the procedure to be used by an eligible local educational agency in such State to provide payments to accounts;

(D) a description of the process to be used by an eligible local educational agency in such State to obtain—

(i) attestations of attendance of eligible displaced students from eligible non-public schools, in order for the local educational agency to provide payments to accounts on behalf of eligible displaced students; and

(ii) attestations from eligible non-public schools that accounts are used only for the purposes described in subsection (e)(2)(A); and

(E) the criteria, including family income, used to determine the eligibility for and the amount of assistance under this section provided on behalf of a displaced student attending an eligible non-public school.

(2) LOCAL EDUCATIONAL AGENCIES AND BIA-FUNDED SCHOOLS.—An eligible local educational agency or eligible BIA-funded school that desires an emergency impact aid payment under this section shall submit an application to the State educational agency at such time, in such manner, and accompanied by such information as the State educational agency may reasonably require, including documentation submitted quarterly for the 2005–2006 school year that indicates the following:

(A) In the case of an eligible local educational agency—

(i) the number of displaced students enrolled in the elementary schools and secondary schools (including charter schools and including the number of displaced students who are served under part B of the Individuals with Disabilities Education Act) served by such agency for such quarter; and

(ii) the number of displaced students for whom the eligible local educational agency expects to provide payments to accounts under subsection (e)(2) (including the number of displaced students who are served under part B of the Individuals with Disabilities Education Act) for such quarter who meet the following criteria:

(I) The displaced student enrolled in an eligible non-public school prior to the date of enactment of this Act.

(II) The parent or guardian of the displaced student chose to enroll the student in the eligible non-public school in which the student is enrolled.

(III) The parent or guardian of the displaced student submitted an application requesting that the agency make a payment to an account on behalf of the student.

(IV) The displaced student's tuition and fees (and transportation expenses, if any) for the 2005–2006 school year is waived or reimbursed (by the eligible non-public school) in an amount that is not less than the amount of emergency impact aid payment provided on behalf of such student under this section.

(B) In the case of an eligible BIA-funded school, the number of displaced students, including the number of displaced students who are served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), enrolled in such school for such quarter.

(3) DETERMINATION OF NUMBER OF DISPLACED STUDENTS.—In determining the number of displaced students for a quarter under paragraph (2), an eligible local educational agency or eligible BIA-funded school shall include in such number the number of displaced students served during such quarter prior to the date of enactment of this Act.

(d) AMOUNT OF EMERGENCY IMPACT AID.—

(1) AID TO STATE EDUCATIONAL AGENCIES.—

(A) IN GENERAL.—The amount of emergency impact aid received by a State educational agency for the 2005–2006 school year shall equal the sum of—

(i) the product of the number of displaced students (who are not served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.)), as determined by the eligible local educational agencies and eligible BIA-funded schools in the State under subsection (c)(2), times $6,000; and

(ii) the product of the number of displaced students who are served under part B of the Individuals with Disabilities Education Act, as determined by the eligible local educational agencies and eligible BIA-funded schools in the State under subsection (c)(2), times $7,500.

(B) INSUFFICIENT FUNDS.—If the amount available under this section to provide emergency impact aid under this subsection is insufficient to pay the full amount that a State educational agency is eligible to receive under this section, the Secretary of Education shall ratably reduce the amount of such emergency impact aid.

(2) AID TO ELIGIBLE LOCAL EDUCATIONAL AGENCIES AND ELIGIBLE BIA-FUNDED SCHOOLS.—

(A) QUARTERLY INSTALLMENTS.—

(i) IN GENERAL.—A State educational agency shall provide emergency impact aid payments under this section on a quarterly basis for the 2005–2006 school year by such dates as determined by the Secretary of Education. Such quarterly installment payments shall be based on the number of displaced students reported under subsection (c)(2) and in the amount determined under clause (ii).

(ii) PAYMENT AMOUNT.—Each quarterly installment payment under clause (i) shall equal 25 percent of the sum of—

(I) the number of displaced students (who are not served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.)) reported by the eligible local educational agency or eligible BIA-funded school for such quarter (as determined under subsection (c)(2)) times $6,000; and

(II) the number of displaced students who are served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.) reported by the eligible local educational agency or eligible BIA-funded school for such quarter (as determined under subsection (c)(2)) times $7,500.

(iii) TIMELINE.—The Secretary of Education shall establish a timeline for quarterly reporting on the number of displaced students in order to make the appropriate disbursements in a timely manner.

(iv) INSUFFICIENT FUNDS.—If, for any quarter, the amount available under this section to make payments under this subsection is insufficient to pay the full amount that an eligible local educational agency or eligible BIA-funded school is eligible to receive under this section, the State educational agency shall ratably reduce the amount of such payments.

(B) MAXIMUM PAYMENT TO ACCOUNT.—In providing quarterly payments to an account for the 2005–2006 school year on behalf of a displaced student for each quarter that such student is enrolled in a non-public school in the area served by the agency under subsection (e)(2), an eligible local educational agency may provide not more than 4 quarterly payments to such account, and the aggregate amount of such payments shall not exceed the lesser of—

(i)(I) in the case of a displaced student who is not served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), $6,000; or

(II) in the case of a displaced student who is served under part B of the Individuals with Disabilities Education Act, $7,500; or

(ii) the cost of tuition and fees (and transportation expenses, if any) at the non-public school for the 2005–2006 school year.

(e) USE OF FUNDS.—

(1) DISPLACED STUDENTS IN PUBLIC SCHOOLS.—An eligible local educational agency or eligible BIA-funded school receiving emergency impact aid payments under this section shall use the payments to provide instructional opportunities for displaced students who enroll in elementary schools and secondary schools (including charter schools) served by such agency or in such a school, and for other expenses incurred as a result of the agency or school serving displaced students, which uses may include—

(A) paying the compensation of personnel, including teacher aides, in schools enrolling displaced students;

(B) identifying and acquiring curricular material, including the costs of providing additional classroom supplies, and mobile educational units and leasing sites or spaces;

(C) basic instructional services for such students, including tutoring, mentoring, or academic counseling;

(D) reasonable transportation costs;

(E) health services (including counseling and mental health services); and

(F) education and support services.

(2) DISPLACED STUDENTS IN NON-PUBLIC SCHOOLS.—

(A) IN GENERAL.—An eligible local educational agency that receives emergency impact aid payments under this section and that serves an area in which there is located an eligible non-public school shall, at the request of the parent or guardian of a displaced student who meets the criteria described in subsection (c)(2)(A)(ii) and who enrolled in a non-public school in an area served by the agency, use such emergency impact aid payment to provide payment on a quarterly basis (but not to exceed the total amount specified in subsection (d)(2)(B) for the 2005–2006 school year) to an account on behalf of such displaced student, which payment shall be used to assist in paying for any of the following:

(i) Paying the compensation of personnel, including teacher aides, in the non-public school, which funds shall not be used for religious instruction, proselytization, or worship.

(ii) Identifying and acquiring curricular material, including the costs of providing additional classroom supplies (which shall be secular, neutral, and shall not have a religious component), and mobile educational units and leasing sites or spaces, which shall not be used for religious instruction, proselytization, or worship.

(iii) Basic instructional services, including tutoring, mentoring, or academic counseling, which services shall be secular and neutral and shall not be used for religious instruction, proselytization, or worship.

(iv) Reasonable transportation costs.

(v) Health services (including counseling and mental health services), which services shall be secular and neutral and shall not be used for religious instruction, proselytization, or worship.

(vi) Education and support services, which services shall be secular and neutral and shall not be used for religious instruction, proselytization, or worship.

(B) VERIFICATION OF ENROLLMENT.—Before providing a quarterly payment to an account under subparagraph (A), the eligible local educational agency shall verify with the parent or guardian of a displaced student that such displaced student is enrolled in the non-public school.

(3) PROVISION OF SPECIAL EDUCATION AND RELATED SERVICES.—

(A) IN GENERAL.—In the case of a displaced student who is served under part B of the Individuals with Disabilities Education Act (20 U.S.C. 1411 et seq.), any payment made on behalf of such student to an eligible local educational agency or any payment available in an account for such student, shall be used to pay the cost of providing the student with special education and related services consistent with the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.).

(B) SPECIAL RULE.—

(i) RETENTION.—Notwithstanding any other provision of this section, if an eligible local educational agency provides services to a displaced student attending an eligible non-public school under section 612(a)(10) of the Individuals with Disabilities Education Act (20 U.S.C. 1412(a)(10)), the eligible local educational agency may retain a portion of the assistance received under this section for such student to pay the cost of providing such services.

(ii) DETERMINATION OF PORTION.—

(I) GUIDELINES.—Each State shall issue guidelines that specify the portion of the assistance that an eligible local educational agency in the State may retain under this subparagraph. Each State shall apply such guidelines in a consistent manner throughout the State.

(II) DETERMINATION OF PORTION.—The portion specified in the guidelines shall be based on customary costs of providing services under such section 612(a)(10) for the local educational agency.

(C) DEFINITIONS.—In this paragraph:

(i) SPECIAL EDUCATION; RELATED SERVICES.—The terms ''special education'' and ''related services'' have the meaning given such terms in section 602 of the Individuals with Disabilities Education Act (20 U.S.C. 1401).

(ii) INDIVIDUALIZED EDUCATION PROGRAM.—The term ''individualized education program'' has the meaning given the term in section 614(d)(2) of the Individuals with Disabilities Education Act (20 U.S.C. 1414(d)(2)).

(f) RETURN OF AID.—

(1) ELIGIBLE LOCAL EDUCATIONAL AGENCY OR ELIGIBLE BIA-FUNDED SCHOOL.—An eligible local educational agency or eligible BIA-funded school that receives an emergency impact aid payment under this section shall return to the State educational agency any payment provided to the eligible local educational agency or school under this section that the eligible local educational agency or school has not obligated by the end of the 2005–2006 school year in accordance with this section.

(2) STATE EDUCATIONAL AGENCY.—A State educational agency that receives emergency impact aid under this section, shall return to the Secretary of Education—

(A) any aid provided to the agency under this section that the agency has not obligated by the end of the 2005–2006 school year in accordance with this section; and

(B) any payment funds returned to the State educational agency under paragraph (1).

(g) LIMITATION ON USE OF AID AND PAYMENTS.—Aid and payments provided under this section shall only be used for expenses incurred during the 2005–2006 school year.

(h) ADMINISTRATIVE EXPENSES.—A State educational agency that receives emergency impact aid under this section may use not more than 1 percent of such aid for administrative expenses. An eligible local educational agency or eligible BIA-funded school that receives emergency impact aid payments under this section may use not more than 2 percent of such payments for administrative expenses.

(i) SPECIAL FUNDING RULE.—In calculating funding under section 8003 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 7703) for an eligible local educational agency that receives an emergency impact aid payment under this section, the Secretary of Education shall not count displaced students served by such agency for whom an emergency impact aid payment is received under this section, nor shall such students be counted for the purpose of calculating the total number of children in average daily attendance at the schools served by such agency as provided in section 8003(b)(3)(B)(i) of such Act (20 U.S.C. 7703(b)(3)(B)(i)).

(j) NOTICE OF OPTION OF PUBLIC SCHOOL OR NON-PUBLIC SCHOOL ENROLLMENT.—Each State receiving emergency impact aid under this section shall provide, to the parent or guardian of each displaced student for whom a payment is made under this section to an account who resides in such State, notification that such parent or guardian has the option of enrolling such student in a public school or a non-public school.

(k) BY-PASS.—If a State educational agency or eligible local educational agency is unable to carry out this section, the Secretary of Education may make such arrangements with the State as the Secretary determines appropriate to carry out this section on behalf of displaced students attending an eligible non-public school in the area served by such agency. For a State in which State law prohibits the State from using Federal funds to directly provide services on behalf of students attending non-public schools and provides that another entity shall provide such services, the Secretary of Education shall make such arrangements with that entity.

(l) NONDISCRIMINATION.—

(1) IN GENERAL.—A school that enrolls a displaced student under this section shall not discriminate against students on the basis of race, color, national origin, religion, disability, or sex.

(2) APPLICABILITY AND SINGLE SEX SCHOOLS, CLASSES, OR ACTIVITIES.—

(A) IN GENERAL.—To the extent consistent with title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), the prohibition of sex discrimination in paragraph (1) shall not apply to a non-public school that is controlled by a religious organization if the application of paragraph (1) would not be consistent with the religious tenets of such organization.

(B) SINGLE SEX SCHOOLS, CLASSES, OR ACTIVITIES.—Notwithstanding paragraph (1) and to the extent consistent with title IX of the Education Amendments of 1972, a parent or guardian may choose and a non-public school may offer a single sex school, class, or activity.

(C) ENROLLMENT.—The prohibition of religious discrimination in paragraph (1) shall not apply with regard to enrollment for a non-public school that is controlled by a religious organization, except in the case of the enrollment of displaced students assisted under this section.

(3) GENERAL PROVISION.—Nothing in this section may be construed to alter or modify the provisions of the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.), title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), title IX of the Education Amendments of 1972 (20 U.S.C. 1681 et seq.), and the Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

(4) OPT-IN.—A displaced student assisted under this section who is enrolled in a non-public school shall not participate in religious worship or religious classes at such school unless such student's parent or guardian chooses to opt-in such student for such religious worship or religious classes.

(5) RULE OF CONSTRUCTION.—The amount of any payment (or other form of support provided on behalf of a displaced student) under this section shall not be treated as income of a parent or guardian of the student for purposes of Federal tax laws or for determining eligibility for any other Federal program.

(m) TREATMENT OF STATE AID.—A State shall not take into consideration emergency impact aid payments received under this section by a local educational agency in the State in determining the eligibility of such local educational agency for State aid, or the amount of State aid, with respect to free public education of children.

SEC. 7953. ORIGINATION FEES FOR STUDENT LOANS.

(a) SPECIAL ALLOWANCES.—Notwithstanding section 438(c)(2) of the Higher Education Act of 1965 (as amended by this Act) (20 U.S.C. 1087–1(c)(2)), subparagraph (A) of section 438(c)(2) of such Act shall be applied by substituting ''2.0 percent'' for ''3.0 percent'' with respect to loans for which the first disbursement of principal is made on or after July 1, 2007.

(b) ORIGINATION FEES FOR FEDERAL DIRECT LOANS.—Notwithstanding subsection (c) of section 455 of

(3) $1,200,000,000 shall be available to carry out section 7956.

SEC. 7955. SUNSET PROVISION.

Except as otherwise provided in this subtitle, the provisions of this subtitle shall be effective for the period beginning on the date of enactment of this Act and ending on August 1, 2006.

TITLE VIII—COMMITTEE ON THE JUDICIARY

SEC. 8001. RECAPTURE OF UNUSED VISA NUMBERS.

(a) RECAPTURE OF UNUSED EMPLOYMENT-BASED IMMIGRANT VISAS.—Section 201(d) of the Immigration and Nationality Act (8 U.S.C. 1151(d)) is amended—

(1) in paragraph (2)(C)—

(A) by striking ''is the difference'' and inserting ''is the sum of—

''(i) the difference''; and

(B) by striking the period at the end and inserting the following: ''; and

''(ii) the lesser of—

''(I) the number of immigrant visas that were available in any previous fiscal year to employment-based immigrants (and their family members accompanying or following to join under section 203(d)) and that were not issued for that fiscal year or for any subsequent fiscal year, excluding those immigrant visas reserved for employment-based immigrants for an occupation listed in schedule A of section 656.5 of title 20, Code of Federal Regulations; and

''(II) 90,000.''; and

(2) by adding at the end the following:

''(3) Immigrant visas issued on or after October 1, 2004, to spouses and children of employment-based immigrants shall not be counted against the numerical limitation set forth in paragraph (1).''.

(b) SUPPLEMENTAL PETITION FEE.—Section 204(a)(1) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)) is amended—

(1) in subparagraph (E), by adding at the end the following: ''Such petition shall be accompanied by a supplemental petition fee in the amount of $500.''; and

(2) in subparagraph (F), by adding at the end the following: ''Such petition shall be accompanied by a supplemental petition fee in the amount of $500.''.

(c) ADJUSTMENT OF STATUS.—

(1) IN GENERAL.—Section 245(a) of the Immigration and Nationality Act (8 U.S.C. 1255(a)) is amended to read as follows:

''(a)(1) The status of an alien who was inspected and admitted or paroled into the United States or the status of any other alien having an approved petition for classification under subparagraph (A)(iii), (A)(iv), (B)(ii), or (B)(iii) of section 204(a)(1) may be adjusted by the Secretary of Homeland Security or the Attorney General, in the discretion of the Secretary or Attorney General, and under such regulations as the Secretary or Attorney General may prescribe, to that of an alien lawfully admitted for permanent residence if—

''(A) the alien makes an application for such adjustment;

''(B) the alien is eligible to receive an immigrant visa and is admissible to the United States for permanent residence; and

''(C) an immigrant visa is immediately available to the alien at the time the application is filed.

''(2) If a supplemental petition fee is paid for any petition under subparagraph (E) or (F) of section 204(a)(1), an application under paragraph (1) of this subsection on behalf of an alien beneficiary of such petition (including a spouse or child who is accompanying or following to join the principal beneficiary) may be filed without regard to the limitation set forth in paragraph (1)(C). An application for adjustment of status filed under this paragraph may not be approved until such time as an immigrant visa becomes available.''.

(2) PENDING APPLICATIONS.—An alien on whose behalf a petition was pending under subparagraph (E) or (F) of section 204(a)(1) of the Immigration and Nationality Act (8 U.S.C. 1154(a)(1)), on the date of enactment of this Act may, upon the payment of the supplemental petition fee set forth in such section, apply for adjustment of status under this subsection without regard to the limitation set forth in section 245(a)(1)(C) of the Immigration and Nationality Act (8 U.S.C. 1255(a)(1)(C)), as amended by paragraph (1).

(d) RECAPTURE OF UNUSED H–1B VISA NUMBERS.—Section 214(g) of the Immigration and Nationality Act (8 U.S.C. 1184(g)) is amended—

(1) by redesignating paragraphs (9) through (11) as paragraphs (10) through (12), respectively; and

(2) by inserting after paragraph (8) the following:

''(9)(A) If the numerical limitation in paragraph (1)(A) for fiscal year 2006 or a subsequent fiscal year has been reached, such numerical limitation shall be supplemented in a number equal to the lesser of—

''(i) the cumulative total number of visas that were available in all prior fiscal years subsequent to fiscal year 1991, and not issued for each such fiscal year or any subsequent fiscal year; and

''(ii) 30,000.

''(B) Any petition filed after the numerical limitation set forth in paragraph (1)(A) has been reached for that fiscal year, and seeking an H–1B visa number recaptured under subparagraph (A) of this paragraph, shall be accompanied by an H–1B recapture fee in the amount of $500.''.

(e) CONFORMING AMENDMENT.—Section 286(m) of the Immigration and Nationality Act (8 U.S.C. 1356(m)) is amended by inserting '', including those fees provided for in subparagraphs (E) and (F) of section 204(a)(1) and subsections (c)(15) and (g)(9)(B) of section 214,'' after ''all adjudication fees''.

(f) EXPENDITURE LIMITATION.—Amounts collected under subparagraphs (E) and (F) of section 204(a)(1) and subsections (c)(15) and (g)(9)(B) of section 214 of the Immigration and Nationality Act, as amended by this Act, may not be expended unless specifically appropriated by an Act of Congress.

SEC. 8002. FEES WITH RESPECT TO IMMIGRATION SERVICES FOR INTRACOMPANY TRANSFEREES.

Section 214(c) of the Immigration and Nationality Act (8 U.S.C. 1184(c)) is amended by adding at the end the following:

''(15)(A) The Secretary of State shall impose a fee on an employer when an alien files an application abroad for a visa authorizing initial admission to the United States as a nonimmigrant described in section 101(a)(15)(L) in order to be employed by the employer, if the alien is covered under a blanket petition described in paragraph (2)(A).

''(B) The Secretary of Homeland Security shall impose a fee on an employer filing a petition under paragraph (1) initially to grant an alien nonimmigrant status described in section 101(a)(15)(L) or to extend for the first time the stay of an alien having such status.

''(C) The amount of the fee imposed under subparagraph (A) or (B) shall be $750.

''(D) The fees imposed under subparagraphs (A) and (B) shall only apply to principal aliens and not to spouses or children who are accompanying or following to join such principal aliens.

''(E)(i) An employer may not require an alien who is the beneficiary of the visa or petition for which a fee is imposed under this paragraph to reimburse, or otherwise compensate, the employer for part or all of the cost of such fee.

''(ii) Section 274A(g)(2) shall apply to a violation of clause (i) in the same manner as it applies to a violation of section 274A(g)(1).''.

SEC. 8003. JUSTICE PROGRAMS.

(a) IN GENERAL.—The Secretary of the Treasury—

(1) for fiscal year 2006, out of the funds in the Treasury not otherwise appropriated, shall pay to the Attorney General, by December 31, 2005, the amounts listed in subsection (b) that are to be provided for fiscal year 2006; and

(2) for each subsequent fiscal year provided in subsection (b) out of funds in the Treasury not otherwise appropriated, shall pay to the Attorney General the amounts provided by November 1 of each such fiscal year.

(b) AMOUNTS PROVIDED.—The amounts referred to in subsection (a), which shall be in addition to funds appropriated for each fiscal year, are—

(1) $8,000,000 for fiscal year 2006, $17,000,000 for fiscal year 2007, –$15,000,000 for fiscal year 2008, $10,000,000 for fiscal year 2009, and $10,000,000 for fiscal year 2010, to fund the Bulletproof Vest Partnership Program as authorized under section 4 of Public Law 108–372.

(2) $3,700,000 for fiscal year 2006, $6,300,000 for fiscal year 2007, $5,000,000 for fiscal year 2008, $5,000,000 for fiscal year 2009, and $5,000,000 for fiscal year 2010, to fund DNA Training and Education for Law Enforcement, Correctional Personnel, and Court Officers as authorized by section 303 of Public Law 108–405.

(3) $8,000,000 for fiscal year 2006, $12,000,000 for fiscal year 2007, $10,000,000 for fiscal year 2008, $10,000,000 for fiscal year 2009, and $10,000,000 for fiscal year 2010, to fund DNA Research and Development as authorized by section 305 of Public Law 108–405.

(4) $500,000 for fiscal year 2006, $500,000 for fiscal year 2007, $500,000 for fiscal year 2008, $500,000 for fiscal year 2009, and $500,000 for fiscal year 2010, to fund the National Forensic Science Commission as authorized by section 306 of Public Law 108–405.

(5) $1,000,000 for fiscal year 2006, $1,000,000 for fiscal year 2007, $1,000,000 for fiscal year 2008, $1,000,000 for fiscal year 2009, and $1,000,000 for fiscal year 2010, to fund DNA Identification of Missing Persons as authorized by section 308 of Public Law 108–405.

(6) $8,000,000 for fiscal year 2006, $27,000,000 for fiscal year 2007, $26,000,000 for fiscal year 2008, $25,000,000 for fiscal year 2009, and $25,000,000 for fiscal year 2010, to fund Capital Litigation Improvement Grants as authorized by sections 421, 422, and 426 of Public Law 108–405.

(7) $2,500,000 for fiscal year 2006, $3,000,000 for fiscal year 2007, $2,500,000 for fiscal year 2008, $2,500,000 for fiscal year 2009, and $2,500,000 for fiscal year 2010, to fund the Kirk Bloodsworth Post-Conviction DNA Testing Grant Program as authorized by sections 412 and 413 of Public Law 108–405.

(8) $1,000,000 for fiscal year 2006, $1,000,000 for fiscal year 2007, $1,000,000 for fiscal year 2008, $1,000,000 for fiscal year 2009, and $1,000,000 for fiscal year 2010, to fund Increased Resources for Enforcement of Crime Victims Rights, Crime Victims Notification Grants as authorized by section 1404D of the Victims of Crime Act of 1984 (42 U.S.C. 10603d).

(c) OBLIGATION OF FUNDS.—The Attorney General shall—

(1) receive funds under this section for fiscal years 2006 through 2010; and

(2) accept such funds in the amounts provided which shall be obligated for the purposes stated in this section by March 1 of each fiscal year.

SEC. 8004. COPYRIGHT PROGRAM.

(a) IN GENERAL.—The Secretary of the Treasury—

(1) for fiscal year 2006, out of the funds in the Treasury not otherwise appropriated, shall pay to the Librarian of the Congress, by December 31, 2005, the amounts listed in subsection (b) that are to be provided for fiscal year 2006; and

(2) for each subsequent fiscal year provided in subsection (b) out of funds in the Treasury not otherwise appropriated shall pay to the Librarian of the Congress the amounts provided by November 1 of each such fiscal year.

(b) AMOUNTS PROVIDED.—The amounts referred to in subsection (a), which shall be in addition to funds appropriated for each fiscal year, are: $1,300,000 for fiscal year 2006, $1,300,000 for fiscal year 2007, $1,300,000 for fiscal year 2008, $1,300,000 for fiscal year 2009, and $1,300,000 for fiscal year 2010, to fund the Copyright Royalty Judges Program as authorized under section 803(e)(1)(B) of title 17, United States Code.

(c) OBLIGATION OF FUNDS.—The Librarian of the Congress shall—

(1) receive funds under this section for fiscal years 2006 through 2010; and

(2) accept such funds in the amounts provided which shall be obligated for the purposes stated in this section by March 1 of each fiscal year.

DIVISION A—AMTRAK REAUTHORIZATION

SECTION 1. SHORT TITLE.

This division may be cited as the ''Passenger Rail Investment and Improvement Act of 2005''.

SEC. 2. AMENDMENT OF TITLE 49, UNITED STATES CODE.

Except as otherwise specifically provided, whenever in this division an amendment is expressed in terms of an amendment to a section or other provision of law, the reference shall be considered to be made to a section or other provision of title 49, United States Code.

TITLE I—AUTHORIZATIONS

SEC. 101. AUTHORIZATION FOR AMTRAK CAPITAL AND OPERATING EXPENSES AND STATE CAPITAL GRANTS.

(a) OPERATING GRANTS.—There are authorized to be appropriated to the Secretary of Transportation for the use of Amtrak for operating costs the following amounts:

(1) For fiscal year 2006, $580,000,000.
(2) For fiscal year 2007, $590,000,000.
(3) For fiscal year 2008, $600,000,000.
(4) For fiscal year 2009, $575,000,000.
(5) For fiscal year 2010, $535,000,000.
(6) For fiscal year 2011, $455,000,000.

(b) CAPITAL GRANTS.—There are authorized to be appropriated to the Secretary of Transportation for the use of Amtrak for capital projects (as defined in subparagraphs (A) and (B) of section 24401(2) of title 49, United States Code) to bring the Northeast Corridor (as defined in section 24102(a)) to a state-of-good-repair, for capital expenses of the national railroad passenger transportation system, and for purposes of making capital grants under section 24402 of that title to States, the following amounts:

(1) For fiscal year 2006, $813,000,000.
(2) For fiscal year 2007, $910,000,000.
(3) For fiscal year 2008, $1,071,000,000.
(4) For fiscal year 2009, $1,096,000,000.
(5) For fiscal year 2010, $1,191,000,000.
(6) For fiscal year 2011, $1,231,000,000.

(c) AMOUNTS FOR STATE GRANTS.—Out of the amounts authorized under subsection (b), the following percentage shall be available each fiscal year for capital grants to States under section 24402 of title 49, United States Code, to be administered by the Secretary of Transportation:

(1) 3 percent for fiscal year 2006.
(2) 11 percent for fiscal year 2007.
(3) 23 percent for fiscal year 2008.
(4) 25 percent for fiscal year 2009.
(5) 31 percent for fiscal year 2010.
(6) 33 percent for fiscal year 2011.

(d) PROJECT MANAGEMENT OVERSIGHT.—The Secretary may withhold up to ½ of 1 percent of amounts appropriated pursuant to subsection (b) for the costs of project management oversight of capital projects carried out by Amtrak.

SEC. 102. AUTHORIZATION FOR THE FEDERAL RAILROAD ADMINISTRATION.

There are authorized to be appropriated to the Secretary of Transportation for the use of the Federal Railroad Administration such sums as necessary to implement the provisions required under this division for fiscal years 2006 through 2011.

SEC. 103. REPAYMENT OF LONG-TERM DEBT AND CAPITAL LEASES.

(a) AMTRAK PRINCIPAL AND INTEREST PAYMENTS.—

(1) PRINCIPAL ON DEBT SERVICE.—There are authorized to be appropriated to the Secretary of Transportation for the use of Amtrak for retirement of principal on loans for capital equipment, or capital leases, not more than the following amounts:

(A) For fiscal year 2006, $130,200,000.
(B) For fiscal year 2007, $140,700,000.
(C) For fiscal year 2008, $156,000,000.
(D) For fiscal year 2009, $183,800,000.
(E) For fiscal year 2010, $156,100,000.
(F) For fiscal year 2011, $193,500,000.

(2) INTEREST ON DEBT.—There are authorized to be appropriated to the Secretary of Transportation for the use of Amtrak for the payment of interest on loans for capital equipment, or capital leases, the following amounts:

(A) For fiscal year 2006, $148,100,000.
(B) For fiscal year 2007, $141,500,000.
(C) For fiscal year 2008, $133,800,000.
(D) For fiscal year 2009, $124,000,000.
(E) For fiscal year 2010, $113,900,000.
(F) For fiscal year 2011, $103,800,000.

(3) EARLY BUYOUT OPTION.—There are authorized to be appropriated to the Secretary of Transportation such sums as may be necessary for the use of Amtrak for the payment of costs associated with early buyout options if the exercise of those options is determined to be advantageous to Amtrak.

(4) LEGAL EFFECT OF PAYMENTS UNDER THIS SECTION.—The payment of principal and interest on secured debt, with the proceeds of grants authorized by this section shall not—

(A) modify the extent or nature of any indebtedness of the National Railroad Passenger Corporation to the United States in

existence of the date of enactment of this Act;

(B) change the private nature of Amtrak's or its successors' liabilities; or

(C) imply any Federal guarantee or commitment to amortize Amtrak's outstanding indebtedness.

SEC. 104. EXCESS RAILROAD RETIREMENT.

There are authorized to be appropriated to the Secretary of Transportation, beginning with fiscal year 2006, such sums as may be necessary to pay to the Railroad Retirement Account an amount equal to the amount Amtrak must pay under section 3221 of the Internal Revenue Code of 1986 in such fiscal years that is more than the amount needed for benefits for individuals who retire from Amtrak and for their beneficiaries. For each fiscal year in which the Secretary makes such a payment, the amounts authorized by section 101(a) shall be reduced by an amount equal to such payment.

SEC. 105. OTHER AUTHORIZATIONS.

There are authorized to be appropriated to the Secretary of Transportation—

(1) $5,000,000 for each of fiscal years 2006 through 2011 to carry out the rail cooperative research program under section 24910 of title 49, United States Code;

(2) $5,000,000 for fiscal year 2006, to remain available until expended, for grants to Amtrak and States participating in the Next Generation Corridor Train Equipment Pool Committee established under section 303 of this division for the purpose of designing, developing specifications for, and initiating the procurement of an initial order of 1 or more types of standardized next-generation corridor train equipment and establishing a jointly-owned corporation to manage that equipment; and

(3) $2,000,000 for fiscal year 2007, for the use of Amtrak in conducting the evaluation required by section 216 of this division.

TITLE II—AMTRAK REFORM AND OPERATIONAL IMPROVEMENTS

SEC. 201. NATIONAL RAILROAD PASSENGER TRANSPORTATION SYSTEM DEFINED.

(a) IN GENERAL.—Section 24102 is amended—

(1) by striking paragraph (2);

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

(3) by inserting after paragraph (4) as so redesignated the following:

''(5) 'national rail passenger transportation system' means—

''(A) the segment of the Northeast Corridor between Boston, Massachusetts and Washington, D.C.;

''(B) rail corridors that have been designated by the Secretary of Transportation as high-speed corridors (other than corridors described in subparagraph (A)), but only after they have been improved to permit operation of high-speed service;

''(C) long distance routes of more than 750 miles between endpoints operated by Amtrak as of the date of enactment of the Passenger Rail Investment and Improvement Act of 2005; and

''(D) short-distance corridors, or routes of not more than 750 miles between endpoints, operated by—

''(i) Amtrak; or

''(ii) another rail carrier that receives funds under chapter 244.''.

(b) AMTRAK ROUTES WITH STATE FUNDING.—

(1) IN GENERAL.—Chapter 247 is amended by inserting after section 24701 the following:

''§ 24702. Transportation requested by States, authorities, and other persons

''(a) CONTRACTS FOR TRANSPORTATION.—Amtrak may enter into a contract with a State, a regional or local authority, or another person for Amtrak to operate an intercity rail service or route not included in the national rail passenger transportation system upon such terms as the parties thereto may agree.

''(b) DISCONTINUANCE.—Upon termination of a contract entered into under this section, or the cessation of financial support under such a contract by either party, Amtrak may discontinue such service or route, notwithstanding any other provision of law.''.

(2) CONFORMING AMENDMENT.—The chapter analysis for chapter 247 is amended by inserting after the item relating to section 24701 the following:

''24702. Transportation requested by States, authorities, and other persons''.

(c) AMTRAK TO CONTINUE TO PROVIDE NON-HIGH-SPEED SERVICES.—Nothing in this division is intended to preclude Amtrak from restoring, improving, or developing non-high-speed intercity passenger rail service.

(d) APPLICABILITY OF SECTION 24706.—Section 24706 is amended by adding at the end the following:

''(c) APPLICABILITY.—This section applies to all service over routes provided by Amtrak, notwithstanding any provision of section 24701 of this title or any other provision of this title except section 24702(b).''.

SEC. 202. AMTRAK BOARD OF DIRECTORS.

(a) IN GENERAL.—Section 24302 is amended to read as follows:

''§ 24302. Board of directors

''(a) COMPOSITION AND TERMS.—

''(1) The Board of Directors of Amtrak is composed of the following 10 directors, each of whom must be a citizen of the United States:

''(A) The Secretary of Transportation.

''(B) The President of Amtrak, who shall serve ex officio, as a non-voting member.

''(C) 8 individuals appointed by the President of the United States, by and with the advice and consent of the Senate, with general business and financial experience, experience or qualifications in transportation, freight and passenger rail transportation, travel, hospitality, cruise line, and passenger air transportation businesses, or representatives of employees or users of passenger rail transportation or a State government.

''(2) In selecting individuals described in paragraph (1) for nominations for appointments to the Board, the President shall consult with the Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the Majority Leader of the Senate, and the Minority Leader of the Senate and try to provide adequate and balanced representation of the major geographic regions of the United States served by Amtrak.

''(3) An individual appointed under paragraph (1)(C) of this subsection serves for 5 years or until the individual's successor is appointed and qualified. Not more than 5 individuals appointed under paragraph (1)(C) may be members of the same political party.

''(4) The Board shall elect a chairman and a vice chairman from among its membership. The vice chairman shall serve as chairman in the absence of the chairman.

''(5) The Secretary may be represented at board meetings by the Secretary's designee.

''(6) The voting privileges of the President can be changed by a unanimous decision of the Board.

''(b) PAY AND EXPENSES.—Each director not employed by the United States Government is entitled to $300 a day when performing Board duties. Each Director is entitled to reimbursement for necessary travel, reasonable secretarial and professional staff support, and subsistence expenses incurred in attending Board meetings.

''(c) VACANCIES.—A vacancy on the Board is filled in the same way as the original selection, except that an individual appointed by the President of the United States under subsection (a)(1)(C) of this section to fill a vacancy occurring before the end of the term for which the predecessor of that individual was appointed is appointed for the remainder of that term. A vacancy required to be filled by appointment under subsection (a)(1)(C) must be filled not later than 120 days after the vacancy occurs.

''(d) QUORUM.—A majority of the members serving shall constitute a quorum for doing business.

''(e) BYLAWS.—The Board may adopt and amend bylaws governing the operation of Amtrak. The bylaws shall be consistent with this part and the articles of incorporation.''.

(b) EFFECTIVE DATE FOR DIRECTORS' PROVISION.—The amendment made by subsection (a) shall take effect on January 1, 2006. The members of the Amtrak Board serving on the date of enactment of this Act may continue to serve for the remainder of the term to which they were appointed.

SEC. 203. ESTABLISHMENT OF IMPROVED FINANCIAL ACCOUNTING SYSTEM.

(a) IN GENERAL.—The Amtrak Board of Directors—

(1) may employ an independent financial consultant with experience in railroad accounting to assist Amtrak in improving Amtrak's financial accounting and reporting system and practices; and

(2) shall implement a modern financial accounting and reporting system that will produce accurate and timely financial information in sufficient detail—

(A) to enable Amtrak to assign revenues and expenses appropriately to each of its lines of business and to each major activity within each line of business activity, including train operations, equipment maintenance, ticketing, and reservations;

(B) to aggregate expenses and revenues related to infrastructure and distinguish them from expenses and revenues related to rail operations;

(C) to allow the analysis of ticketing and reservation information on a real-time basis;

(D) to provide Amtrak cost accounting data; and

(E) to allow financial analysis by route and service.

(b) VERIFICATION OF SYSTEM; REPORT.—The Inspector General of the Department of Transportation shall review the accounting system designed and implemented under subsection (a) to ensure that it accomplishes the purposes for which it is intended. The Inspector General shall report his findings and conclusions, together with any recommendations, to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure.

SEC. 204. DEVELOPMENT OF 5-YEAR FINANCIAL PLAN.

(a) DEVELOPMENT OF 5-YEAR FINANCIAL PLAN.—The Amtrak Board of Directors shall submit an annual budget and business plan for Amtrak, and a 5-year financial plan for the fiscal year to which that budget and business plan relate and the subsequent 4 years, prepared in accordance with this section, to the Secretary of Transportation and the Inspector General of the Department of Transportation no later than—

(1) the first day of each fiscal year beginning after the date of enactment of this Act; or

(2) the date that is 60 days after the date of enactment of an appropriation Act for the fiscal year, if later.

(b) CONTENTS OF 5-YEAR FINANCIAL PLAN.—The 5-year financial plan for Amtrak shall include, at a minimum—

(1) all projected revenues and expenditures for Amtrak, including governmental funding sources;

(2) projected ridership levels for all Amtrak passenger operations;

(3) revenue and expenditure forecasts for non-passenger operations;

(4) capital funding requirements and expenditures necessary to maintain passenger service which will accommodate predicted ridership levels and predicted sources of capital funding;

(5) operational funding needs, if any, to maintain current and projected levels of passenger service, including state-supported routes and predicted funding sources;

(6) projected capital and operating requirements, ridership, and revenue for any new passenger service operations or service expansions;

(7) an assessment of the continuing financial stability of Amtrak, as indicated by factors such as the ability of the Federal government to fund capital and operating requirements adequately, Amtrak's ability to efficiently manage its workforce, and Amtrak's ability to effectively provide passenger train service;

(8) estimates of long-term and short-term debt and associated principle and interest payments (both current and anticipated);

(9) annual cash flow forecasts;

(10) a statement describing methods of estimation and significant assumptions;

(11) specific measures that demonstrate measurable improvement year over year in Amtrak's ability to operate with reduced Federal operating assistance; and

(12) capital and operating expenditures for anticipated security needs.

(c) STANDARDS TO PROMOTE FINANCIAL STABILITY.—In meeting the requirements of subsection (b), Amtrak shall—

(1) apply sound budgetary practices, including reducing costs and other expenditures, improving productivity, increasing revenues, or combinations of such practices;

(2) use the categories specified in the financial accounting and reporting system developed under section 203 when preparing its 5-year financial plan; and

(3) ensure that the plan is consistent with the authorizations of appropriations under title I of this division.

(d) ASSESSMENT BY DOT INSPECTOR GENERAL.—

(1) IN GENERAL.—The Inspector General of the Department of Transportation shall assess the 5-year financial plans prepared by Amtrak under this section to determine whether they meet the requirements of subsection (b), and may suggest revisions to any components thereof that do not meet those requirements.

(2) ASSESSMENT TO BE FURNISHED TO THE CONGRESS.—The Inspector General shall furnish to the House of Representatives Committee on Appropriations, the Senate Committee on Appropriations, the House of Representatives Committee on Transportation and Infrastructure, and the Senate Committee on Commerce, Science, and Transportation—

(A) an assessment of the annual budget within 90 days after receiving it from Amtrak; and

(B) an assessment of the remaining 4 years of the 5-year financial plan within 180 days after receiving it from Amtrak.

SEC. 205. ESTABLISHMENT OF GRANT PROCESS.

(a) GRANT REQUESTS.—Amtrak shall submit grant requests (including a schedule for the disbursement of funds), consistent with the requirements of this division, to the Secretary of Transportation for funds authorized to be appropriated to the Secretary for the use of Amtrak under sections 101(a) and (b), 103, and 105.

(b) PROCEDURES FOR GRANT REQUESTS.—The Secretary shall establish substantive and procedural requirements, including schedules, for grant requests under this section not later than 30 days after the date of enactment of this Act and shall transmit copies to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure. As part of those requirements, the Secretary shall require, at a minimum, that Amtrak deposit grant funds, consistent with the appropriated amounts for each area of expenditure in a given fiscal year, in the following 3 accounts:

(1) The Amtrak Operating account.

(2) The Amtrak General Capital account.

(3) The Northeast Corridor Improvement funds account.

Amtrak may not transfer such funds to another account or expend such funds for any purpose other than the purposes covered by the account in which the funds are deposited without approval by the Secretary.

(c) REVIEW AND APPROVAL.—

(1) 30-DAY APPROVAL PROCESS.—The Secretary shall complete the review of a complete grant request (including the disbursement schedule) and approve or disapprove the request within 30 days after the date on which Amtrak submits the grant request. If the Secretary disapproves the request or determines that the request is incomplete or deficient, the Secretary shall include the reason for disapproval or the incomplete items or deficiencies in the notice to Amtrak.

(2) 15-DAY MODIFICATION PERIOD.—Within 15 days after receiving notification from the Secretary under the preceding sentence, Amtrak shall submit a modified request for the Secretary's review.

(3) REVISED REQUESTS.—Within 15 days after receiving a modified request from Amtrak, the Secretary shall either approve the modified request, or, if the Secretary finds that the request is still incomplete or deficient, the Secretary shall identify in writing to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure the remaining deficiencies and recommend a process for resolving the outstanding portions of the request.

SEC. 206. STATE-SUPPORTED ROUTES.

(a) IN GENERAL.—Within 2 years after the date of enactment of this Act, the Board of Directors of Amtrak, in consultation with the Secretary of Transportation and the governors of each State and the Mayor of the District of Columbia or groups representing those officials, shall develop and implement a standardized methodology for establishing and allocating the operating and capital costs among the States and Amtrak associated with trains operated on routes described in section 24102(5)(B) or (D) or section 24702 that—

(1) ensures, within 5 years after the date of enactment of this Act, equal treatment in the provision of like services of all States and groups of States (including the District of Columbia); and

(2) allocates to each route the costs incurred only for the benefit of that route and a proportionate share, based upon factors that reasonably reflect relative use, of costs incurred for the common benefit of more than 1 route.

(b) REVIEW.—If Amtrak and the States (including the District of Columbia) in which Amtrak operates such routes do not voluntarily adopt and implement the methodology developed under subsection (a) in allocating costs and determining compensation for the provision of service in accordance with the date established therein, the Surface Transportation Board shall determine the appropriate methodology required under subsection (a) for such services in accordance with the procedures and procedural schedule applicable to a proceeding under section 24904(c) of title 49, United States Code, and require the full implementation of this methodology with regards to the provision of such service within 1 year after the Board's determination of the appropriate methodology.

(c) USE OF CHAPTER 244 FUNDS.—Funds provided to a State under chapter 244 of title 49, United States Code, may be used, as provided in that chapter, to pay capital costs determined in accordance with this section.

SEC. 207. INDEPENDENT AUDITOR TO ESTABLISH METHODOLOGIES FOR AMTRAK ROUTE AND SERVICE PLANNING DECISIONS.

(a) METHODOLOGY DEVELOPMENT.—The Federal Railroad Administration shall obtain the services of an independent auditor or consultant to develop and recommend objective methodologies for determining intercity passenger routes and services, including the establishment of new routes, the elimination of existing routes, and the contraction or expansion of services or frequencies over such routes. In developing such methodologies, the auditor or consultant shall consider—

(1) the current or expected performance and service quality of intercity passenger train operations, including cost recovery, on-time performance and minutes of delay, ridership, on-board services, stations, facilities, equipment, and other services;

(2) connectivity of a route with other routes;

(3) the transportation needs of communities and populations that are not well served by other forms of public transportation;

(4) Amtrak's and other major intercity passenger rail service providers in other countries' methodologies for determining intercity passenger rail routes and services; and

(5) the views of the States and other interested parties.

(b) SUBMITTAL TO CONGRESS.—The auditor or consultant shall submit recommendations developed under subsection (a) to Amtrak, the House of Representatives Committee on Transportation and Infrastructure, and the Senate Committee on Commerce, Science, and Transportation.

(c) CONSIDERATION OF RECOMMENDATIONS.—Within 90 days after receiving the recommendations developed under subsection (a) by the independent auditor or consultant, the Amtrak Board shall consider the adoption of those recommendations. The Board shall transmit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure explaining its action in adopting or failing to adopt any of the recommendations.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be made available to the Secretary of Transportation, out of any amounts authorized by this division to be appropriated for the benefit of Amtrak and not otherwise obligated or expended, such sums as may be necessary to carry out this section.

(e) PIONEER ROUTE.—Within 2 years after the date of enactment of this Act, Amtrak shall conduct a 1-time evaluation of the Pioneer Route formerly operated by Amtrak to determine, using methodologies adopted under subsection (c), whether a level of passenger demand exists that would warrant consideration of reinstating the entire Pioneer Route service or segments of that service.

SEC. 208. METRICS AND STANDARDS.

(a) IN GENERAL.—Within 180 days after the date of enactment of this Act, the Administrator of the Federal Railroad Administration and Amtrak shall jointly, in consultation with the Surface Transportation Board, rail carriers over whose rail lines Amtrak trains operate, States, Amtrak employees, and groups representing Amtrak passengers, as appropriate, develop new or improve existing metrics and minimum standards for measuring the performance and service quality of intercity passenger train operations, including cost recovery, on-time performance and minutes of delay, ridership, on-board services, stations, facilities, equipment, and other services. Such metrics, at a minimum, shall include the percentage of avoidable and fully allocated operating costs covered by passenger revenues on each route, ridership per train mile operated, measures of on-time performance and delays incurred by intercity passenger trains on the rail lines of each rail carrier and, for long distance routes, measures of connectivity with other routes in all regions currently receiving Amtrak service and the transportation needs of communities and populations that are not well-served by other forms of public transportation. Amtrak shall provide reasonable access to the Federal Railroad Administration in order to enable the Administration to carry out its duty under this section.

(b) QUARTERLY REPORTS.—The Administrator of the Federal Railroad Administration shall collect the necessary data and publish a quarterly report on the performance and service quality of intercity passenger train operations, including cost recovery, ridership, on-time performance and minutes of delay, causes of delay, on-board services, stations, facilities, equipment, and other services.

(c) CONTRACT WITH HOST RAIL CARRIERS.—To the extent practicable, Amtrak and its host rail carriers shall incorporate the metrics and standards developed under subsection (a) into their access and service agreements.

(d) ARBITRATION.—If the development of the metrics and standards is not completed within the 180-day period required by subsection (a), any party involved in the development of those standards may petition the Surface Transportation Board to appoint an arbitrator to assist the parties in resolving their disputes through binding arbitration.

SEC. 209. PASSENGER TRAIN PERFORMANCE.

(a) IN GENERAL.—Section 24308 is amended by adding at the end the following:

''(f) PASSENGER TRAIN PERFORMANCE AND OTHER STANDARDS.—

''(1) INVESTIGATION OF SUBSTANDARD PERFORMANCE.—If the on-time performance of any intercity passenger train averages less than 80 percent for any 2 consecutive calendar quarters, or the service quality of intercity passenger train operations for which minimum standards are established under section 208 of the Passenger Rail Investment and Improvement Act of 2005 fails to meet those standards for 2 consecutive calendar quarters, the Surface Transportation Board shall investigate whether, and to what extent, delays or failure to achieve minimum standards are due to causes that could reasonably be addressed by a rail carrier over the tracks of which the intercity passenger train operates or reasonably addressed by the intercity passenger rail operator. In carrying out such an investigation, the Board shall obtain information from all parties involved and make recommendations regarding reasonable measures to improve the service, quality, and on-time performance of the train.

''(2) PROBLEMS CAUSED BY HOST RAIL CARRIER.—If the Board determines that delays or failures to achieve minimum standards investigated under paragraph (1) are attributable to a rail carrier's failure to provide preference to Amtrak over freight transportation under subsection (c), then the Board shall enforce its recommendations for relief under this section.

''(3) PENALTIES.—

''(A) IN GENERAL.—The Board shall publish a schedule of penalties which will—

''(A) fairly reflect the extent to which Amtrak suffers financial loss as a result of host rail carrier delays or failure to achieve minimum standards; and

''(B) will adequately deter future actions which may reasonably be expected to be likely to result in delays to Amtrak.

''(B) ASSESSMENT.—The Board may assess these penalties upon a host rail carrier.

''(C) USE.—The Board shall make any amounts received as penalties under this paragraph available to Amtrak or a State contracting with Amtrak, as applicable, for capital or operating expenditures on such routes.''.

(b) CHANGE OF REFERENCE.—Section 24308 is amended—

(1) by striking ''Interstate Commerce Commission'' in subsection (a)(2)(A) and inserting ''Surface Transportation Board'';

(2) by striking ''Commission'' each place it appears and inserting ''Board'';

(3) by striking ''Secretary'' the last 3 places it appears in subsection (c) and each place it appears in subsections (d) and (e) and inserting ''Board''.

SEC. 210. LONG DISTANCE ROUTES.

(a) IN GENERAL.—Chapter 247 is amended by adding at the end thereof the following:

''§ 24710. Long distance routes

''(a) ANNUAL EVALUATION.—Using the financial and performance metrics developed under section 208 of the Passenger Rail Investment and Improvement Act of 2005, Amtrak shall—

''(1) evaluate annually the financial and operating performance of each long distance passenger rail route operated by Amtrak; and

''(2) rank the overall performance of such routes for 2006 and identify each long distance passenger rail route operated by Amtrak in 2006 according to its overall performance as belonging to the best performing third of such routes, the second best performing third of such routes, or the worst performing third of such routes.

''(b) PERFORMANCE IMPROVEMENT PLAN.—Amtrak shall develop and publish a performance improvement plan for its long distance passenger rail routes to achieve financial and operating improvements based on the data collected through the application of the financial and performance metrics developed under section 208 of that Act. The plan shall address—

''(1) on-time performance;

''(2) scheduling, frequency, routes, and stops;

''(3) the feasibility of restructuring service into connected corridor service;

''(4) performance-related equipment changes and capital improvements;

''(5) on-board amenities and service, including food, first class, and sleeping car service;

''(6) State or other non-Federal financial contributions;

''(7) improving financial performance; and

''(8) other aspects of Amtrak's long distance passenger rail routes that affect the financial, competitive, and functional performance of service on Amtrak's long distance passenger rail routes.

''(c) IMPLEMENTATION.—Amtrak shall implement the performance improvement plan developed under subsection (b)—

''(1) beginning in fiscal year 2007 for those routes identified as being in the worst performing third under subsection (a)(2);

''(2) beginning in fiscal year 2008 for those routes identified as being in the second best performing third under subsection (a)(2); and

''(3) beginning in fiscal year 2009 for those routes identified as being in the best performing third under subsection (a)(2).

''(d) ENFORCEMENT.—The Federal Railroad Administration shall monitor the development, implementation, and outcome of improvement plans under this section. If, for any year, it determines that Amtrak is not making reasonable progress in implementing its performance improvement plan or in achieving the expected outcome of the plan for any calendar year, the Federal Railroad Administration—

''(1) shall notify Amtrak, the Inspector General of the Department of Transportation, and appropriate Congressional committees of its determination under this subsection;

''(2) shall provide an opportunity for a hearing with respect to that determination; and

''(3) may withhold any appropriated funds otherwise available to Amtrak for the operation of a route or routes on which it is not making progress, other than funds made available for passenger safety or security measures.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 247 is amended by inserting after the item relating to section 24709 the following:

''24710. Long distance routes''.

SEC. 211. ALTERNATE PASSENGER RAIL SERVICE PROGRAM.

(a) IN GENERAL.—Chapter 247, as amended by section 209, is amended by adding at the end thereof the following:

''§ 24711. Alternate passenger rail service program

''(a) IN GENERAL.—Within 1 year after the date of enactment of the Passenger Rail Investment and Improvement Act of 2005, the Federal Railroad Administration shall initiate a rulemaking proceeding to develop a program under which—

''(1) a rail carrier or rail carriers that own infrastructure over which Amtrak operates a passenger rail service route described in subparagraph (B), (C), or (D) of section 24102(5) or in section 24702 of title 49, United States Code may petition the Federal Railroad Administration to be considered as a passenger rail service provider over that route in lieu of Amtrak;

''(2) the Administration would notify Amtrak within 30 days after receiving a petition under paragraph (1) and establish a deadline by which both the petitioner and Amtrak would be required to submit a bid to provide passenger rail service over the route to which the petition relates;

''(3) each bid would describe how the bidder would operate the route, what Amtrak passenger equipment would be needed, if any, what sources of non-Federal funding the bidder would use, including any State subsidy, among other things;

''(4) the Administration would make a decision and execute a contract within a specified, limited time after that deadline awarding to the winning bidder—

''(A) the right and obligation to provide passenger rail service over that route subject to such performance standards as the Administration may require, consistent with the standards developed under section 208 of this division; and

''(B) an operating subsidy—

''(i) for the first year at a level not in excess of the level in effect during the fiscal year preceding the fiscal year in which the petition was received, adjusted for inflation;

''(ii) for any subsequent years at such level, adjusted for inflation; and

''(5) each bid would contain a staffing plan describing the number of employees needed to operate the service, the job assignments and requirements, and the terms of work for prospective and current employees of the bidder for the service outlined in the bid, and such staffing plan would be made available by the winning bidder to the public after the bid award.

''(b) IMPLEMENTATION.—

''(1) INITIAL PETITIONS.—Pursuant to any rules or regulations promulgated under subsection (A), the Administration shall establish a deadline for the submission of a petition under subsection (a)—

''(A) during fiscal year 2007 for operations commencing in fiscal year 2008; and

''(B) during the immediately preceding fiscal year for operations commencing in subsequent fiscal years.

''(2) ROUTE LIMITATIONS.—The Administration may not make the program available with respect to more than 1 Amtrak passenger rail route for operations beginning in fiscal year 2008 nor to more than 2 such routes for operations beginning in fiscal year 2010 and subsequent fiscal years.

''(c) PERFORMANCE STANDARDS; ACCESS TO FACILITIES; EMPLOYEES.—If the Administration awards the right and obligation to provide passenger rail service over a route under the program to a rail carrier or rail carriers—

''(1) it shall execute a contract with the rail carrier or rail carriers for rail passenger operations on that route that conditions the operating and subsidy rights upon—

''(A) the service provider continuing to provide passenger rail service on the route that is no less frequent, nor over a shorter distance, than Amtrak provided on that route before the award; and

''(B) the service provider's compliance with the minimum standards established under section 208 of the Passenger Rail Investment and Improvement Act of 2005 and such additional performance standards as the Administration may establish;

''(2) it shall, if the award is made to a rail carrier other than Amtrak, require Amtrak to provide access to its reservation system, stations, and facilities to any rail carrier or rail carriers awarded a contract under this section, in accordance with section 218 of that Act, necessary to carry out the purposes of this section;

''(3) the employees of any person used by a rail carrier or rail carriers (as defined in section 10102(5) of this title) in the operation of a route under this section shall be considered an employee of that carrier or carriers and subject to the applicable Federal laws and regulations governing similar crafts or classes of employees of Amtrak, including provisions under section 121 of the Amtrak Reform and Accountability Act of 1997 relating to employees that provide food and beverage service; and

''(4) the winning bidder shall provide preference in hiring to qualified Amtrak employees displaced by the award of the bid, consistent with the staffing plan submitted by the bidder.

''(d) CESSATION OF SERVICE.—If a rail carrier or rail carriers awarded a route under this section cease to operate the service or fail to fulfill their obligations under the contract required under subsection (c), the Administrator, in collaboration with the Surface Transportation Board shall take any necessary action consistent with this title to enforce the contract and ensure the continued provision of service, including the installment of an interim service provider and re-bidding the contract to operate the service. The entity providing service shall either be Amtrak or a rail carrier defined in section 24711(a)(1).

''(e) ADEQUATE RESOURCES.—Before taking any action allowed under this section, the Secretary shall certify that the Administrator has sufficient resources that are adequate to undertake the program established under this section.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 247, as amended by section 209, is amended by inserting after the item relating to section 24710 the following:

''24711. Alternate passenger rail service program''.

SEC. 212. EMPLOYEE TRANSITION ASSISTANCE.

(a) PROVISION OF FINANCIAL INCENTIVES.—For Amtrak employees who are adversely affected by the cessation of the operation of a long distance route or any other route under section 24711 of title 49, United States Code, previously operated by Amtrak, the Secretary shall develop a program under which the Secretary may, in the Secretary's discretion, provide grants for financial incentives to be provided to employees of the National Railroad Passenger Corporation who voluntarily terminate their employment with the Corporation and relinquish any legal rights to receive termination-related payments under any contractual agreement with the Corporation.

(b) CONDITIONS FOR FINANCIAL INCENTIVES.—As a condition for receiving financial assistance grants under this section, the Corporation must certify that—

(1) a reasonable attempt was made to reassign an employee adversely affected under section 24711 of title 49, United States Code, or by the elimination of any route, to other positions within the Corporation in accordance with any contractual agreements;

(2) the financial assistance results in a net reduction in the total number of employees equal to the number receiving financial incentives;

(3) the financial assistance results in a net reduction in total employment expense equivalent to the total employment expenses associated with the employees receiving financial incentives; and

(4) the total number of employees eligible for termination-related payments will not be increased without the express written consent of the Secretary.

(c) AMOUNT OF FINANCIAL INCENTIVES.—The financial incentives authorized under this section may be no greater than $50,000 per employee.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated to the Secretary such sums as may be necessary to make grants to the National Railroad Passenger Corporation to provide financial incentives under subsection (a).

(e) TERMINATION-RELATED PAYMENTS.—If Amtrak employees adversely affected by the cessation of Amtrak service resulting from the awarding of a grant to an operator other than Amtrak for the operation of a route under section 24711 of title 49, United States Code, or any other route, previously operated by Amtrak do not receive financial incentives under subsection (a), then the Secretary shall make grants to the National Railroad Passenger Corporation from funds authorized by section 102 of this division for termination-related payments to employees under existing contractual agreements.

SEC. 213. NORTHEAST CORRIDOR STATE-OF-GOOD-REPAIR PLAN.

(a) IN GENERAL.—Within 6 months after the date of enactment of this Act, the National Railroad Passenger Corporation, in consultation with the Secretary and the States (including the District of Columbia) that make up the Northeast Corridor (as defined in section 24102 of title 49, United States Code), shall prepare a capital spending plan for capital projects required to return the Northeast Corridor to a state of good repair by the end of fiscal year 2011, consistent with the funding levels authorized in this division and shall submit the plan to the Secretary.

(b) APPROVAL BY THE SECRETARY.—

(1) The Corporation shall submit the capital spending plan prepared under this section to the Secretary of Transportation for review and approval pursuant to the procedures developed under section 205 of this division.

(2) The Secretary of Transportation shall require that the plan be updated at least annually and shall review and approve such updates. During review, the Secretary shall seek comments and review from the commission established under section 24905 of title 49, United States Code, and other Northeast Corridor users regarding the plan.

(3) The Secretary shall make grants to the Corporation with funds authorized by section 101(b) for Northeast Corridor capital investments contained within the capital spending plan prepared by the Corporation and approved by the Secretary.

(4) Using the funds authorized by section 101(d), the Secretary shall review Amtrak's capital expenditures funded by this section to ensure that such expenditures are consistent with the capital spending plan and that Amtrak is providing adequate project management oversight and fiscal controls.

(c) ELIGIBILITY OF EXPENDITURES.—The Federal share of expenditures for capital improvements under this section may not exceed 100 percent.

SEC. 214. NORTHEAST CORRIDOR INFRASTRUCTURE AND OPERATIONS IMPROVEMENTS.

(a) IN GENERAL.—Section 24905 is amended to read as follows:

''§ 24905. Northeast Corridor Infrastructure and Operations Advisory Commission; Safety and Security Committee.

''(a) NORTHEAST CORRIDOR INFRASTRUCTURE AND OPERATIONS ADVISORY COMMISSION.—

''(1) Within 180 days after the date of enactment of the Passenger Rail Investment and Improvement Act of 2005, the Secretary of Transportation shall establish a Northeast Corridor Infrastructure and Operations Advisory Commission (hereinafter referred to in this section as the 'Commission') to promote mutual cooperation and planning pertaining to the rail operations and related activities of the Northeast Corridor. The Commission shall be made up of—

''(A) members representing the National Railroad Passenger Corporation;

''(B) members representing the Secretary of Transportation and the Federal Railroad Administration;

''(C) 1 member from each of the States (including the District of Columbia) that constitute the Northeast Corridor as defined in section 24102, designated by, and serving at the pleasure of, the chief executive officer thereof; and

''(D) non-voting representatives of freight railroad carriers using the Northeast Corridor selected by the Secretary.

''(2) The Secretary shall ensure that the membership belonging to any of the groups enumerated under subparagraph (1) shall not constitute a majority of the commission's memberships.

''(3) The commission shall establish a schedule and location for convening meetings, but shall meet no less than four times per fiscal year, and the commission shall develop rules and procedures to govern the commission's proceedings.

''(4) A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

''(5) Members shall serve without pay but shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

''(6) The Chairman of the Commission shall be elected by the members.

''(7) The Commission may appoint and fix the pay of such personnel as it considers appropriate.

''(8) Upon request of the Commission, the head of any department or agency of the United States may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this section.

''(9) Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its responsibilities under this section.

''(10) The commission shall consult with other entities as appropriate.

''(b) GENERAL RECOMMENDATIONS.—The Commission shall develop recommendations concerning Northeast Corridor rail infrastructure and operations including proposals addressing, as appropriate—

''(1) short-term and long term capital investment needs beyond the state-of-good-repair under section 213;

''(2) future funding requirements for capital improvements and maintenance;

''(3) operational improvements of intercity passenger rail, commuter rail, and freight rail services;

''(4) opportunities for additional non-rail uses of the Northeast Corridor;

''(5) scheduling and dispatching;

''(6) safety and security enhancements;

''(7) equipment design;

''(8) marketing of rail services; and

''(9) future capacity requirements.

''(c) ACCESS COSTS.—

''(1) DEVELOPMENT OF FORMULA.—Within 1 year after verification of Amtrak's new financial accounting system pursuant to section 203(b) of the Passenger Rail Investment and Improvement Act of 2005, the Commission shall—

''(A) develop a standardized formula for determining and allocating costs, revenues, and compensation for Northeast Corridor commuter rail passenger transportation, as defined in section 24102 of this title, that use National Railroad Passenger Corporation facilities or services or that provide such facilities or services to the National Railroad Passenger Corporation that ensure that—

''(i) there is no cross-subsidization of commuter rail passenger, intercity rail passenger, or freight rail transportation; and

''(ii) each service is assigned the costs incurred only for the benefit of that service, and a proportionate share, based upon factors that reasonably reflect relative use, of costs incurred for the common benefit of more than 1 service;

''(B) develop a proposed timetable for implementing the formula before the end of the 6th year following the date of enactment of that Act;

''(C) transmit the proposed timetable to the Surface Transportation Board; and

''(D) at the request of a Commission member, petition the Surface Transportation Board to appoint a mediator to assist the Commission members through non-binding mediation to reach an agreement under this section.

''(2) IMPLEMENTATION.—The National Railroad Passenger Corporation and the commuter authorities providing commuter rail passenger transportation on the Northeast Corridor shall implement new agreements for usage of facilities or services based on the formula proposed in paragraph (1) in accordance with the timetable established therein. If the entities fail to implement such new agreements in accordance with the timetable, the Commission shall petition the Surface Transportation Board to determine the appropriate compensation amounts for such services in accordance with section 24904(c) of this title. The Surface Transportation Board shall enforce its determination on the party or parties involved.

''(d) TRANSMISSION OF RECOMMENDATIONS.—The commission shall annually transmit the recommendations developed under subsection (b) and the formula and timetable developed under subsection (c)(1) to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure.

''(e) NORTHEAST CORRIDOR SAFETY AND SECURITY COMMITTEE.—

''(1) IN GENERAL.—The Secretary shall establish a Northeast Corridor Safety and Security Committee composed of members appointed by the Secretary. The members shall be representatives of—

''(A) the Secretary;

''(B) Amtrak;

''(C) freight carriers operating more than 150,000 train miles a year on the main line of the Northeast Corridor;

''(D) commuter agencies;

''(E) rail passengers;

''(F) rail labor;

''(G) the Transportation Security Administration; and

''(H) other individuals and organizations the Secretary decides have a significant interest in rail safety or security.

''(2) FUNCTION; MEETINGS.—The Secretary shall consult with the Committee about safety and security improvements on the Northeast Corridor main line. The Committee shall meet at least once every 2 years to consider safety matters on the main line.

''(3) REPORT.—At the beginning of the first session of each Congress, the Secretary shall submit a report to the Commission and to Congress on the status of efforts to improve safety and security on the Northeast Corridor main line. The report shall include the safety recommendations of the Committee and the comments of the Secretary on those recommendations.''.

(3) CONFORMING AMENDMENTS.—Section 24904(c)(2) is amended by—

(A) inserting ''commuter rail passenger'' after ''between''; and

(B) striking ''freight'' in the second sentence.

SEC. 215. RESTRUCTURING LONG-TERM DEBT AND CAPITAL LEASES.

(a) IN GENERAL.—The Secretary of the Treasury, in consultation with the Secretary of Transportation and Amtrak, may make agreements to restructure Amtrak's indebtedness as of the date of enactment of this Act. This authorization expires on January 1, 2007.

(b) DEBT RESTRUCTURING.—The Secretary of Treasury, in consultation with the Secretary of the Transportation and Amtrak, shall enter into negotiations with the holders of Amtrak debt, including leases, outstanding on the date of enactment of this Act for the purpose of restructuring (including repayment) and repaying that debt. The Secretary of the Treasury may secure agreements for restructuring or repayment on such terms as the Secretary of the Treasury deems favorable to the interests of the Government.

(c) CRITERIA.—In restructuring Amtrak's indebtedness, the Secretary and Amtrak—

(1) shall take into consideration repayment costs, the term of any loan or loans, and market conditions; and

(2) shall ensure that the restructuring results in significant savings to Amtrak and the United States Government.

(d) PAYMENT OF RENEGOTIATED DEBT.—If the criteria under subsection (c) are met, the Secretary of Treasury shall assume or repay the restructured debt, as appropriate.

(e) AMTRAK PRINCIPAL AND INTEREST PAYMENTS.—

(1) PRINCIPAL ON DEBT SERVICE.—Unless the Secretary of Treasury makes sufficient payments to creditors under subsection (d) so that Amtrak is required to make no payments to creditors in a fiscal year, the Secretary of Transportation shall use funds authorized by section 103(a)(1) for the use of Amtrak for retirement of principal on loans for capital equipment, or capital leases.

(2) INTEREST ON DEBT.—Unless the Secretary of Treasury makes sufficient payments to creditors under subsection (d) so that Amtrak is required to make no payments to creditors in a fiscal year, the Secretary of Transportation shall use funds authorized by section 103(a)(2) for the use of Amtrak for the payment of interest on loans for capital equipment, or capital leases.

(3) REDUCTIONS IN AUTHORIZATION LEVELS.—Whenever action taken by the Secretary of the Treasury under subsection (a) results in reductions in amounts of principal or interest that Amtrak must service on existing debt, the corresponding amounts authorized by section 103(a)(1) or (2) shall be reduced accordingly.

(f) LEGAL EFFECT OF PAYMENTS UNDER THIS SECTION.—The payment of principal and interest on secured debt, other than debt assumed under subsection (d), with the proceeds of grants under subsection (e) shall not—

(1) modify the extent or nature of any indebtedness of the National Railroad Passenger Corporation to the United States in existence of the date of enactment of this Act;

(2) change the private nature of Amtrak's or its successors' liabilities; or

(3) imply any Federal guarantee or commitment to amortize Amtrak's outstanding indebtedness.

(g) SECRETARY APPROVAL.—Amtrak may not incur more debt after the date of enactment of this Act without the express advance approval of the Secretary of Transportation.

(h) REPORT.—The Secretary of the Treasury shall transmit a report to the Senate Committee on Commerce, Science, and Transportation, the Senate Committee on Appropriations, the House of Representatives Committee on Transportation and Infrastructure, and the House of Representatives Committee on Appropriations by June 1, 2007—

(1) describing in detail any agreements to restructure the Amtrak debt; and

(2) providing an estimate of the savings to Amtrak and the United States Government.

SEC. 216. STUDY OF COMPLIANCE REQUIREMENTS AT EXISTING INTERCITY RAIL STATIONS.

Amtrak, in consultation with station owners, shall evaluate the improvements necessary to make all existing stations it serves readily accessible to and usable by individuals with disabilities, as required by section 242(e)(2) of the Americans with Disabilities Act of 1990 (42 U.S.C. 12162(e)(2)). The evaluation shall include the estimated cost of the improvements necessary, the identification of the responsible person (as defined in section 241(5) of that Act (42 U.S.C. 12161(5))), and the earliest practicable date when such improvements can be made. Amtrak shall

submit the evaluation to the Senate Committee on Commerce, Science, and Transportation, the House of Representatives Committee on Transportation and Infrastructure, and the National Council on Disability by September 30, 2007, along with recommendations for funding the necessary improvements.

SEC. 217. INCENTIVE PAY.

The Amtrak Board of Directors is encouraged to develop an incentive pay program for Amtrak management employees.

SEC. 218. ACCESS TO AMTRAK EQUIPMENT AND SERVICES.

If a State desires to select or selects an entity other than Amtrak to provide services required for the operation of an intercity passenger train route described in section 24102(5)(D) or 24702 of title 49, United States Code, the State may make an agreement with Amtrak to use facilities and equipment of, or have services provided by, Amtrak under terms agreed to by the State and Amtrak to enable the State to utilize an entity other than Amtrak to provide services required for operation of the route. If the parties cannot agree upon terms, and the Surface Transportation Board finds that access to Amtrak's facilities or equipment, or the provision of services by Amtrak, is necessary to carry out this provision and that the operation of Amtrak's other services will not be impaired thereby, the Surface Transportation Board shall, within 120 days after submission of the dispute, issue an order that the facilities and equipment be made available, and that services be provided, by Amtrak, and shall determine reasonable compensation, liability and other terms for use of the facilities and equipment and provision of the services. Compensation shall be determined in accord with the methodology established pursuant to section 206 of this division.

SEC. 219. GENERAL AMTRAK PROVISIONS.

(a) REPEAL OF SELF-SUFFICIENCY REQUIREMENTS.

(1) TITLE 49 AMENDMENTS.—Chapter 241 is amended—

(A) by striking the last sentence of section 24101(d); and

(B) by striking the last sentence of section 24104(a).

(2) AMTRAK REFORM AND ACCOUNTABILITY ACT AMENDMENTS.—Title II of the Amtrak Reform and Accountability Act of 1997 (49 U.S.C. 24101 nt) is amended by striking sections 204 and 205.

(3) COMMON STOCK REDEMPTION DATE.—Section 415 of the Amtrak Reform and Accountability Act of 1997 (49 U.S.C. 24304 nt) is amended by striking subsection (b).

(b) LEASE ARRANGEMENTS.—Amtrak may obtain services from the Administrator of General Services, and the Administrator may provide services to Amtrak, under section 201(b) and 211(b) of the Federal Property and Administrative Service Act of 1949 (40 U.S.C. 481(b) and 491(b)) for each of fiscal years 2006 through 2011.

SEC. 220. PRIVATE SECTOR FUNDING OF PASSENGER TRAINS.

Amtrak is encouraged to increase its operation of trains funded by the private sector in order to minimize its need for Federal subsidies. Amtrak shall utilize the provisions of section 24308 of title 49, United States Code, when necessary to obtain access to facilities, train and engine crews, or services of a rail carrier or regional transportation authority that are required to operate such trains.

SEC. 221. ON-BOARD SERVICE IMPROVEMENTS.

(a) IN GENERAL.—Within 1 year after metrics and standards are established under section 208 of this division, Amtrak shall develop and implement a plan to improve on-board service pursuant to the metrics and standards for such service developed under that section.

(b) REPORT.—Amtrak shall provide a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure on the on-board service improvements proscribed in the plan and the timeline for implementing such improvements.

SEC. 222. AMTRAK MANAGEMENT ACCOUNTABILITY.

(a) IN GENERAL.—Chapter 243 is amended by inserting after section 24309 the following:

"§ 24310. Management accountability

''(a) IN GENERAL.—Three years after the date of enactment of the Passenger Rail Investment and Improvement Act of 2005, and two years thereafter, the Inspector General of the Department of Transportation shall complete an overall assessment of the progress made by Amtrak management and the Department of Transportation in implementing the provisions of that Act.

''(b) ASSESSMENT.—The management assessment undertaken by the Inspector General may include a review of—

''(1) effectiveness improving annual financial planning;

''(2) effectiveness in implementing improved financial accounting;

''(3) efforts to implement minimum train performance standards;

''(4) progress maximizing revenues and minimizing Federal subsidies; and

''(5) any other aspect of Amtrak operations the Inspector General finds appropriate to review.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 243 is amended by inserting after the item relating to section 24309 the following:

''24310. Management accountability''.

TITLE III—INTERCITY PASSENGER RAIL POLICY

SEC. 301. CAPITAL ASSISTANCE FOR INTERCITY PASSENGER RAIL SERVICE.

(a) IN GENERAL.—Part C of subtitle V is amended by inserting the following after chapter 243:

''CHAPTER 244. INTERCITY PASSENGER RAIL SERVICE CORRIDOR CAPITAL ASSISTANCE

''Sec.

''24401. Definitions.

''24402. Capital investment grants to support intercity passenger rail service.

''24403. Project management oversight

''24404. Use of capital grants to finance first-dollar liability of grant project.

''24405. Grant conditions.

"§ 24401. Definitions

''In this subchapter:

''(1) APPLICANT.—The term 'applicant' means a State (including the District of Columbia), a group of States, an Interstate Compact, or a public agency established by one or more States and having responsibility for providing intercity passenger rail service.

''(2) CAPITAL PROJECT.—The term 'capital project' means a project or program in a State rail plan developed under chapter 225 of this title for—

''(A) acquiring, constructing, improving, or inspecting equipment, track and track structures, or a facility for use in or for the primary benefit of intercity passenger rail service, expenses incidental to the acquisition or construction (including designing, engineering, location surveying, mapping, environmental studies, and acquiring rights-of-way), payments for the capital portions of rail trackage rights agreements, highway-rail grade crossing improvements related to intercity passenger rail service, security, mitigating environmental impacts, communication and signalization improvements, relocation assistance, acquiring replacement housing sites, and acquiring, constructing, relocating, and rehabilitating replacement housing;

''(B) rehabilitating, remanufacturing or overhauling rail rolling stock and facilities used primarily in intercity passenger rail service;

''(C) costs associated with developing State rail plans; and

''(D) the first-dollar liability costs for insurance related to the provision of intercity passenger rail service under section 24404.

''(3) INTERCITY PASSENGER RAIL SERVICE.—The term 'intercity passenger rail service' means transportation services with the primary purpose of passenger transportation between towns, cities and metropolitan areas by rail, including high-speed rail, as defined in section 24102 of title 49, United States Code.

"§ 24402. Capital investment grants to support intercity passenger rail service.

''(a) GENERAL AUTHORITY.—

''(1) The Secretary of Transportation may make grants under this section to an applicant to assist in financing the capital costs of facilities and equipment necessary to provide or improve intercity passenger rail transportation.

''(2) The Secretary shall require that a grant under this section be subject to the terms, conditions, requirements, and provisions the Secretary decides are necessary or appropriate for the purposes of this section, including requirements for the disposition of net increases in value of real property resulting from the project assisted under this section and shall prescribe procedures and schedules for the awarding of grants under this title, including application and qualification procedures and a record of decision on applicant eligibility. The Secretary shall issue a final rule establishing such procedures not later than 90 days after the date of enactment of the Passenger Rail Investment and Improvement Act of 2005.

''(b) PROJECT AS PART OF STATE RAIL PLAN.—

''(1) The Secretary may not approve a grant for a project under this section unless the Secretary finds that the project is part of a State rail plan developed under chapter 225 of this title, or under the plan required by section 203 of the Passenger Rail Investment and Improvement Act of 2005, and that the applicant or recipient has or will have the legal, financial, and technical capacity to carry out the project, satisfactory continuing control over the use of the equipment or facilities, and the capability and willingness to maintain the equipment or facilities.

''(2) An applicant shall provide sufficient information upon which the Secretary can make the findings required by this subsection.

''(3) If an applicant has not selected the proposed operator of its service competitively, the applicant shall provide written justification to the Secretary showing why the proposed operator is the best, taking into account price and other factors, and that use of the proposed operator will not unnecessarily increase the cost of the project.

''(c) PROJECT SELECTION CRITERIA.—The Secretary, in selecting the recipients of financial assistance to be provided under subsection (a), shall—

''(1) require that each proposed project meet all safety and security requirements that are applicable to the project under law;

''(2) give preference to projects with high levels of estimated ridership, increased on-time performance, reduced trip time, additional service frequency to meet anticipated or existing demand, or other significant service enhancements as measured against minimum standards developed under section 208 of the Passenger Rail Investment and Improvement Act of 2005;

''(3) encourage intermodal connectivity through projects that provide direct connections between train stations, airports, bus terminals, subway stations, ferry ports, and other modes of transportation;

''(4) ensure that each project is compatible with, and is operated in conformance with—

''(A) plans developed pursuant to the requirements of section 135 of title 23, United States Code; and

''(B) the national rail plan (if it is available); and

''(5) favor the following kinds of projects:

''(A) Projects that are expected to have a significant favorable impact on air or highway traffic congestion, capacity, or safety.

''(B) Projects that also improve freight or commuter rail operations.

''(C) Projects that have significant environmental benefits.

''(D) Projects that are—

''(i) at a stage of preparation that all pre-commencement compliance with environmental protection requirements has already been completed; and

''(ii) ready to be commenced.

''(E) Projects with positive economic and employment impacts.

''(F) Projects that encourage the use of positive train control technologies.

''(G) Projects that have commitments of funding from non-Federal Government sources in a total amount that exceeds the minimum amount of the non-Federal contribution required for the project.

''(H) Projects that involve donated property interests or services.

''(I) Projects that are identified by the Surface Transportation Board as necessary to improve the on time performance and reliability of intercity passenger rail under section 24308(f).

''(d) AMTRAK ELIGIBILITY.—To receive a grant under this section, the National Railroad Passenger Corporation may enter into a cooperative agreement with 1 or more States to carry out 1 or more projects on a State rail plan's ranked list of rail capital projects developed under section 22504(a)(5) of this title.

''(e) LETTERS OF INTENT, FULL FUNDING GRANT AGREEMENTS, AND EARLY SYSTEMS WORK AGREEMENTS.—

''(1)(A) The Secretary may issue a letter of intent to an applicant announcing an intention to obligate, for a major capital project under this section, an amount from future available budget authority specified in law that is not more than the amount stipulated as the financial participation of the Secretary in the project.

''(B) At least 30 days before issuing a letter under subparagraph (A) of this paragraph or entering into a full funding grant agreement, the Secretary shall notify in writing the Committee on Transportation and Infrastructure of the House of Representatives and the Committee on Commerce, Science, and Transportation of the Senate and the House and Senate Committees on Appropriations of the proposed letter or agreement. The Secretary shall include with the notification a copy of the proposed letter or agreement as well as the evaluations and ratings for the project.

''(C) An obligation or administrative commitment may be made only when amounts are appropriated.

''(2)(A) The Secretary may make a full funding grant agreement with an applicant. The agreement shall—

''(i) establish the terms of participation by the United States Government in a project under this section;

''(ii) establish the maximum amount of Government financial assistance for the project;

''(iii) cover the period of time for completing the project, including a period extending beyond the period of an authorization; and

''(iv) make timely and efficient management of the project easier according to the law of the United States.

''(B) An agreement under this paragraph obligates an amount of available budget authority specified in law and may include a commitment, contingent on amounts to be specified in law in advance for commitments under this paragraph, to obligate an additional amount from future available budget authority specified in law. The agreement shall state that the contingent commitment is not an obligation of the Government and is subject to the availability of appropriations made by Federal law and to Federal laws in force on or enacted after the date of the contingent commitment. Interest and other financing costs of efficiently carrying out a part of the project within a reasonable time are a cost of carrying out the project under a full funding grant agreement, except that eligible costs may not be more than the cost of the most favorable financing terms reasonably available for the project at the time of borrowing. The applicant shall certify, in a way satisfactory to the Secretary, that the applicant has shown reasonable diligence in seeking the most favorable financing terms.

''(3)(A) The Secretary may make an early systems work agreement with an applicant if a record of decision under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) has been issued on the project and the Secretary finds there is reason to believe—

''(i) a full funding grant agreement for the project will be made; and

''(ii) the terms of the work agreement will promote ultimate completion of the project more rapidly and at less cost.

''(B) A work agreement under this paragraph obligates an amount of available budget authority specified in law and shall provide for reimbursement of preliminary costs of carrying out the project, including land acquisition, timely procurement of system elements for which specifications are decided, and other activities the Secretary decides are appropriate to make efficient, long-term project management easier. A work agreement shall cover the period of time the Secretary considers appropriate. The period may extend beyond the period of current authorization. Interest and other financing costs of efficiently carrying out the work agreement within a reasonable time are a cost of carrying out the agreement, except that eligible costs may not be more than the cost of the most favorable financing terms reasonably available for the project at the time of borrowing. The applicant shall certify, in a way satisfactory to the Secretary, that the applicant has shown reasonable diligence in seeking the most favorable financing terms. If an applicant does not carry out the project for reasons within the control of the applicant, the applicant shall repay all Government payments made under the work agreement plus reasonable interest and penalty charges the Secretary establishes in the agreement.

''(4) The total estimated amount of future obligations of the Government and contingent commitments to incur obligations covered by all outstanding letters of intent, full funding grant agreements, and early systems work agreements may be not more than the amount authorized under section 101(c) of Passenger Rail Investment and Improvement Act of 2005, less an amount the Secretary reasonably estimates is necessary for grants under this section not covered by a letter. The total amount covered by new letters and contingent commitments included in full funding grant agreements and early systems work agreements may be not more than a limitation specified in law.

''(f) FEDERAL SHARE OF NET PROJECT COST.—

''(1)(A) Based on engineering studies, studies of economic feasibility, and information on the expected use of equipment or facilities, the Secretary shall estimate the net project cost.

''(B) A grant for the project shall not exceed 80 percent of the project net capital cost.

''(C) The Secretary shall give priority in allocating future obligations and contingent commitments to incur obligations to grant requests seeking a lower Federal share of the project net capital cost.

''(2) Up to an additional 20 percent of the required non-Federal funds may be funded from amounts appropriated to or made available to a department or agency of the Federal Government that are eligible to be expended for transportation.

''(3) 50 percent of the average amounts expended by a State or group of States (including the District of Columbia) for capital projects to benefit intercity passenger rail service in fiscal years 2003, 2004, and 2005 shall be credited towards the matching requirements for grants awarded under this section. The Secretary may require such information as necessary to verify such expenditures.

''(4) 50 percent of the average amounts expended by a State or group of States (including the District of Columbia) in a fiscal year beginning in 2006 for capital projects to benefit intercity passenger rail service or for the operating costs of such service above the average of expenditures made for such service in fiscal years 2003, 2004, and 2005 shall be credited towards the matching requirements for grants awarded under this section. The Secretary may require such information as necessary to verify such expenditures.

''(g) UNDERTAKING PROJECTS IN ADVANCE.—

''(1) The Secretary may pay the Federal share of the net capital project cost to an applicant that carries out any part of a project described in this section according to all applicable procedures and requirements if—

''(A) the applicant applies for the payment;

''(B) the Secretary approves the payment; and

''(C) before carrying out the part of the project, the Secretary approves the plans and specifications for the part in the same way as other projects under this section.

''(2) The cost of carrying out part of a project includes the amount of interest earned and payable on bonds issued by the applicant to the extent proceeds of the bonds are expended in carrying out the part. However, the amount of interest under this paragraph may not be more than the most favorable interest terms reasonably available for the project at the time of borrowing. The applicant shall certify, in a manner satisfactory to the Secretary, that the applicant has shown reasonable diligence in seeking the most favorable financial terms.

''(3) The Secretary shall consider changes in capital project cost indices when determining the estimated cost under paragraph (2) of this subsection.

''(h) 2-YEAR AVAILABILITY.—Funds appropriated under this section shall remain

available until expended. If any amount provided as a grant under this section is not obligated or expended for the purposes described in subsection (a) within 2 years after the date on which the State received the grant, such sums shall be returned to the Secretary for other intercity passenger rail development projects under this section at the discretion of the Secretary.

''(i) PUBLIC-PRIVATE PARTNERSHIPS.—

''(1) IN GENERAL.—A metropolitan planning organization, State transportation department, or other project sponsor may enter into an agreement with any public, private, or nonprofit entity to cooperatively implement any project funded with a grant under this title.

''(2) FORMS OF PARTICIPATION.—Participation by an entity under paragraph (1) may consist of—

''(A) ownership or operation of any land, facility, locomotive, rail car, vehicle, or other physical asset associated with the project;

''(B) cost-sharing of any project expense;

''(C) carrying out administration, construction management, project management, project operation, or any other management or operational duty associated with the project; and

''(D) any other form of participation approved by the Secretary.

''(3) SUB-ALLOCATION.—A State may allocate funds under this section to any entity described in paragraph (1).

''(j) SPECIAL TRANSPORTATION CIRCUMSTANCES.—In carrying out this section, the Secretary shall allocate an appropriate portion of the amounts available under this section to provide grants to States—

''(1) in which there is no intercity passenger rail service for the purpose of funding freight rail capital projects that are on a State rail plan developed under chapter 225 of this title that provide public benefits (as defined in chapter 225) as determined by the Secretary; or

''(2) in which the rail transportation system is not physically connected to rail systems in the continental United States or may not otherwise qualify for a grant under this section due to the unique characteristics of the geography of that State or other relevant considerations, for the purpose of funding transportation-related capital projects.

''(k) SMALL CAPITAL PROJECTS.—The Secretary shall make available $10,000,000 annually from the amounts authorized under section 101(c) of the Passenger Rail Investment and Improvement Act of 2005 beginning in fiscal year 2007 for grants for capital projects eligible under this section not exceeding $2,000,000, including costs eligible under section 206(c) of that Act. The Secretary may wave requirements of this section, including state rail plan requirements, as appropriate.

''§ 24403. Project management oversight

''(a) PROJECT MANAGEMENT PLAN REQUIREMENTS.—To receive Federal financial assistance for a major capital project under this subchapter, an applicant must prepare and carry out a project management plan approved by the Secretary of Transportation. The plan shall provide for—

''(1) adequate recipient staff organization with well-defined reporting relationships, statements of functional responsibilities, job descriptions, and job qualifications;

''(2) a budget covering the project management organization, appropriate consultants, property acquisition, utility relocation, systems demonstration staff, audits, and miscellaneous payments the recipient may be prepared to justify;

''(3) a construction schedule for the project;

''(4) a document control procedure and recordkeeping system;

''(5) a change order procedure that includes a documented, systematic approach to handling the construction change orders;

''(6) organizational structures, management skills, and staffing levels required throughout the construction phase;

''(7) quality control and quality assurance functions, procedures, and responsibilities for construction, system installation, and integration of system components;

''(8) material testing policies and procedures;

''(9) internal plan implementation and reporting requirements;

''(10) criteria and procedures to be used for testing the operational system or its major components;

''(11) periodic updates of the plan, especially related to project budget and project schedule, financing, and ridership estimates; and

''(12) the recipient's commitment to submit a project budget and project schedule to the Secretary each month.

''(b) SECRETARIAL OVERSIGHT.—

''(1) The Secretary may use no more than 0.5 percent of amounts made available in a fiscal year for capital projects under this subchapter to enter into contracts to oversee the construction of such projects.

''(2) The Secretary may use amounts available under paragraph (1) of this subsection to make contracts for safety, procurement, management, and financial compliance reviews and audits of a recipient of amounts under paragraph (1).

''(3) The Federal Government shall pay the entire cost of carrying out a contract under this subsection.

''(c) ACCESS TO SITES AND RECORDS.—Each recipient of assistance under this subchapter shall provide the Secretary and a contractor the Secretary chooses under subsection (c) of this section with access to the construction sites and records of the recipient when reasonably necessary.

''§ 24404. Use of capital grants to finance first-dollar liability of grant project

''Notwithstanding the requirements of section 24402 of this subchapter, the Secretary of Transportation may approve the use of capital assistance under this subchapter to fund self-insured retention of risk for the first tier of liability insurance coverage for rail passenger service associated with the capital assistance grant, but the coverage may not exceed $20,000,000 per occurrence or $20,000,000 in aggregate per year.

''§ 24405. Grant conditions

''(a) DOMESTIC BUYING PREFERENCE.—

''(1) REQUIREMENT.—

''(A) IN GENERAL.—In carrying out a project funded in whole or in part with a grant under this title, the grant recipient shall purchase only—

''(i) unmanufactured articles, material, and supplies mined or produced in the United States; or

''(ii) manufactured articles, material, and supplies manufactured in the United States substantially from articles, material, and supplies mined, produced, or manufactured in the United States.

''(B) DE MINIMIS AMOUNT.—Subparagraph (1) applies only to a purchase in an total amount that is not less than $1,000,000.

''(2) EXEMPTIONS.—On application of a recipient, the Secretary may exempt a recipient from the requirements of this subsection if the Secretary decides that, for particular articles, material, or supplies—

''(A) such requirements are inconsistent with the public interest;

''(B) the cost of imposing the requirements is unreasonable; or

''(C) the articles, material, or supplies, or the articles, material, or supplies from which they are manufactured, are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and are not of a satisfactory quality.

''(3) UNITED STATES DEFINED.—In this subsection, the term 'the United States' means the States, territories, and possessions of the United States and the District of Columbia.

''(b) OPERATORS DEEMED RAIL CARRIERS AND EMPLOYERS FOR CERTAIN PURPOSES.—A person that conducts rail operations over rail infrastructure constructed or improved with funding provided in whole or in part in a grant made under this title shall be considered a rail carrier as defined in section 10102(5) of this title for purposes of this title and any other statute that adopts the that definition or in which that definition applies, including—

''(1) the Railroad Retirement Act of 1974 (45 U.S.C. 231 et seq.); and

''(2) the Railway Labor Act (43 U.S.C. 151 et seq.).

''(c) GRANT CONDITIONS.—The Secretary shall require as a condition of making any grant under this title for a project that uses rights-of-way owned by a railroad that—

''(1) a written agreement exist between the applicant and the railroad regarding such use and ownership, including—

''(A) any compensation for such use;

''(B) assurances regarding the adequacy of infrastructure capacity to accommodate both existing and future freight and passenger operations; and

''(C) an assurance by the railroad that collective bargaining agreements with the railroad's employees (including terms regulating the contracting of work) will remain in full force and effect according to their terms for work performed by the railroad on the railroad transportation corridor;

''(D) an assurance that an applicant complies with liability requirements consistent with section 28103 of this title; and

''(2) the applicant agrees to comply with—

''(A) the standards of section 24312 of this title, as such section was in effect on September 1, 2003, with respect to the project in the same manner that the National Railroad Passenger Corporation is required to comply with those standards for construction work financed under an agreement made under section 24308(a) of this title; and

''(B) the protective arrangements established under section 504 of the Railroad Revitalization and Regulatory Reform Act of 1976 (45 U.S.C. 836) with respect to employees affected by actions taken in connection with the project to be financed in whole or in part by grants under this subchapter.

''(d) REPLACEMENT OF EXISTING INTERCITY PASSENGER RAIL SERVICE.—

''(1) COLLECTIVE BARGAINING AGREEMENT FOR INTERCITY PASSENGER RAIL PROJECTS.—Any entity providing intercity passenger railroad transportation that begins operations after the date of enactment of this Act on a project funded in whole or in part by grants made under this title and replaces intercity rail passenger service that was provided by Amtrak, unless such service was provided solely by Amtrak to another entity, as of such date shall enter into an agreement with the authorized bargaining agent or agents for adversely affected employees of the predecessor provider that—

''(A) gives each such qualified employee of the predecessor provider priority in hiring according to the employee's seniority on the predecessor provider for each position with the replacing entity that is in the employee's craft or class and is available within 3 years after the termination of the service being replaced;

''(B) establishes a procedure for notifying such an employee of such positions;

''(C) establishes a procedure for such an employee to apply for such positions; and

''(D) establishes rates of pay, rules, and working conditions.

''(2) IMMEDIATE REPLACEMENT SERVICE.—

''(A) NEGOTIATIONS.—If the replacement of preexisting intercity rail passenger service occurs concurrent with or within a reasonable time before the commencement of the replacing entity's rail passenger service, the replacing entity shall give written notice of its plan to replace existing rail passenger service to the authorized collective bargaining agent or agents for the potentially adversely affected employees of the predecessor provider at least 90 days before the date on which it plans to commence service. Within 5 days after the date of receipt of such written notice, negotiations between the replacing entity and the collective bargaining agent or agents for the employees of the predecessor provider shall commence for the purpose of reaching agreement with respect to all matters set forth in subparagraphs (A) through (D) of paragraph (1). The negotiations shall continue for 30 days or until an agreement is reached, whichever is sooner. If at the end of 30 days the parties have not entered into an agreement with respect to all such matters, the unresolved issues shall be submitted for arbitration in accordance with the procedure set forth in subparagraph (B).

''(B) ARBITRATION.—If an agreement has not been entered into with respect to all matters set forth in subparagraphs (A) through (D) of paragraph (1) as described in subparagraph (A) of this paragraph, the parties shall select an arbitrator. If the parties are unable to agree upon the selection of such arbitrator within 5 days, either or both parties shall notify the National Mediation Board, which shall provide a list of seven arbitrators with experience in arbitrating rail labor protection disputes. Within 5 days after such notification, the parties shall alternately strike names from the list until only 1 name remains, and that person shall serve as the neutral arbitrator. Within 45 days after selection of the arbitrator, the arbitrator shall conduct a hearing on the dispute and shall render a decision with respect to the unresolved issues among the matters set forth in subparagraphs (A) through (D) of paragraph (1). This decision shall be final, binding, and conclusive upon the parties. The salary and expenses of the arbitrator shall be borne equally by the parties; all other expenses shall be paid by the party incurring them.

''(3) SERVICE COMMENCEMENT.—A replacing entity under this subsection shall commence service only after an agreement is entered into with respect to the matters set forth in subparagraphs (A) through (D) of paragraph (1) or the decision of the arbitrator has been rendered.

''(4) SUBSEQUENT REPLACEMENT OF SERVICE.—If the replacement of existing rail passenger service takes place within 3 years after the replacing entity commences intercity passenger rail service, the replacing entity and the collective bargaining agent or agents for the adversely affected employees of the predecessor provider shall enter into an agreement with respect to the matters set forth in subparagraphs (A) through (D) of paragraph (1). If the parties have not entered into an agreement with respect to all such matters within 60 days after the date on which the replacing entity replaces the predecessor provider, the parties shall select an arbitrator using the procedures set forth in paragraph (2)(B), who shall, within 20 days after the commencement of the arbitration, conduct a hearing and decide all unresolved issues. This decision shall be final, binding, and conclusive upon the parties.

''(e) INAPPLICABILITY TO CERTAIN RAIL OPERATIONS.— Nothing in this section applies to—

''(1) commuter rail passenger transportation (as defined in section 24102(4) of this title) operations of a State or local government authority (as those terms are defined in section 5302(11) and (6), respectively, of this title) eligible to receive financial assistance under section 5307 of this title, or to its contractor performing services in connection with commuter rail passenger operations (as so defined);

''(2) the Alaska Railroad or its contractors; or

''(3) the National Railroad Passenger Corporation's access rights to railroad rights of way and facilities under current law.''.

(b) CONFORMING AMENDMENTS.—

(1) The table of chapters for the title is amended by inserting the following after the item relating to chapter 243:

''244. Intercity passenger rail service capital assistance.....24401''.

''(2) The chapter analysis for subtitle V is amended by inserting the following after the item relating to chapter 243:

''244. Intercity passenger rail service capital assistance.....24401''.

SEC. 302. STATE RAIL PLANS.

(a) IN GENERAL.—Part B of subtitle V is amended by adding at the end the following:

''CHAPTER 225. STATE RAIL PLANS AND HIGH PRIORITY PROJECTS

''Sec.
''22501. Definitions
''22502. Authority
''22503. Purposes
''22504. Transparency; coordination; review
''22505. Content
''22506. Review

''§ 22501. Definitions

''In this subchapter:

''(1) PRIVATE BENEFIT.—

''(A) IN GENERAL.—The term 'private benefit'—

''(i) means a benefit accrued to a person or private entity, other than the National Railroad Passenger Corporation, that directly improves the economic and competitive condition of that person or entity through improved assets, cost reductions, service improvements, or any other means as defined by the Secretary; and

''(ii) shall be determined on a project-by-project basis, based upon an agreement between the parties.

''(B) CONSULTATION.—The Secretary may seek the advice of the States and rail carriers in further defining this term.

''(2) PUBLIC BENEFIT.—

''(A) IN GENERAL.—The term 'public benefit'—

''(i) means a benefit accrued to the public in the form of enhanced mobility of people or goods, environmental protection or enhancement, congestion mitigation, enhanced trade and economic development, improved air quality or land use, more efficient energy use, enhanced public safety or security, reduction of public expenditures due to improved transportation efficiency or infrastructure preservation, and any other positive community effects as defined by the Secretary; and

''(ii) shall be determined on a project-by-project basis, based upon an agreement between the parties.

''(B) CONSULTATION.—The Secretary may seek the advice of the States and rail carriers in further defining this term.

''(3) STATE.—The term 'State' means any of the 50 States and the District of Columbia.

''(4) STATE RAIL TRANSPORTATION AUTHORITY.—The term 'State rail transportation authority' means the State agency or official responsible under the direction of the Governor of the State or a State law for preparation, maintenance, coordination, and administration of the State rail plan.''.

''§ 22502. Authority

''(a) IN GENERAL.—Each State may prepare and maintain a State rail plan in accordance with the provisions of this subchapter.

''(b) REQUIREMENTS.—For the preparation and periodic revision of a State rail plan, a State shall—

''(1) establish or designate a State rail transportation authority to prepare, maintain, coordinate, and administer the plan;

''(2) establish or designate a State rail plan approval authority to approve the plan;

''(3) submit the State's approved plan to the Secretary of Transportation for review; and

''(4) revise and resubmit a State-approved plan no less frequently than once every 5 years for reapproval by the Secretary.

''§ 22503. Purposes

''(a) PURPOSES.—The purposes of a State rail plan are as follows:

''(1) To set forth State policy involving freight and passenger rail transportation, including commuter rail operations, in the State.

''(2) To establish the period covered by the State rail plan.

''(3) To present priorities and strategies to enhance rail service in the State that benefits the public.

''(4) To serve as the basis for Federal and State rail investments within the State.

''(b) COORDINATION.—A State rail plan shall be coordinated with other State transportation planning goals and programs and set forth rail transportation's role within the State transportation system.

''§ 22504. Transparency; coordination; review

''(a) PREPARATION.—A State shall provide adequate and reasonable notice and opportunity for comment and other input to the public, rail carriers, commuter and transit authorities operating in, or affected by rail operations within the State, units of local government, and other interested parties in the preparation and review of its State rail plan.

''(b) INTERGOVERNMENTAL COORDINATION.—A State shall review the freight and passenger rail service activities and initiatives by regional planning agencies, regional transportation authorities, and municipalities within the State, or in the region in which the State is located, while preparing the plan, and shall include any recommendations made by such agencies, authorities, and municipalities as deemed appropriate by the State.

''§ 22505. Content

''(a) IN GENERAL.—Each State rail plan shall contain the following:

''(1) An inventory of the existing overall rail transportation system and rail services and facilities within the State and an analysis of the role of rail transportation within the State's surface transportation system.

''(2) A review of all rail lines within the State, including proposed high speed rail corridors and significant rail line segments not currently in service.

''(3) A statement of the State's passenger rail service objectives, including minimum service levels, for rail transportation routes in the State.

''(4) A general analysis of rail's transportation, economic, and environmental impacts in the State, including congestion mitigation, trade and economic development, air quality, land-use, energy-use, and community impacts.

''(5) A long-range rail investment program for current and future freight and passenger infrastructure in the State that meets the requirements of subsection (b).

''(6) A statement of public financing issues for rail projects and service in the State, including a list of current and prospective public capital and operating funding resources, public subsidies, State taxation, and other financial policies relating to rail infrastructure development.

''(7) An identification of rail infrastructure issues within the State that reflects consultation with all relevant stake holders.

''(8) A review of major passenger and freight intermodal rail connections and facilities within the State, including seaports, and prioritized options to maximize service integration and efficiency between rail and other modes of transportation within the State.

''(9) A review of publicly funded projects within the State to improve rail transportation safety and security, including all major projects funded under section 130 of title 23.

''(10) A performance evaluation of passenger rail services operating in the State, including possible improvements in those services, and a description of strategies to achieve those improvements.

''(11) A compilation of studies and reports on high-speed rail corridor development within the State not included in a previous plan under this subchapter, and a plan for funding any recommended development of such corridors in the State.

''(12) A statement that the State is in compliance with the requirements of section 22102.

''(b) LONG-RANGE SERVICE AND INVESTMENT PROGRAM.—

''(1) PROGRAM CONTENT.—A long-range rail investment program included in a State rail plan under subsection (a)(5) shall include the following matters:

''(A) A list of any rail capital projects expected to be undertaken or supported in whole or in part by the State.

''(B) A detailed funding plan for those projects.

''(2) PROJECT LIST CONTENT.—The list of rail capital projects shall contain—

''(A) a description of the anticipated public and private benefits of each such project; and

''(B) a statement of the correlation between—

''(i) public funding contributions for the projects; and

''(ii) the public benefits.

''(3) CONSIDERATIONS FOR PROJECT LIST.—In preparing the list of freight and intercity passenger rail capital projects, a State rail transportation authority should take into consideration the following matters:

''(A) Contributions made by non-Federal and non-State sources through user fees, matching funds, or other private capital involvement.

''(B) Rail capacity and congestion effects.

''(C) Effects on highway, aviation, and maritime capacity, congestion, or safety.

''(D) Regional balance.

''(E) Environmental impact.

''(F) Economic and employment impacts.

''(G) Projected ridership and other service measures for passenger rail projects.

''§ 22506. Review

The Secretary shall prescribe procedures for States to submit State rail plans for review under this title, including standardized format and data requirements. State rail plans completed before the date of enactment of the Passenger Rail Investment and Improvement Act of 2005 that substantially meet the requirements of this chapter, as determined by the Secretary, shall be deemed by the Secretary to have met the requirements of this chapter''.

(b) CONFORMING AMENDMENTS.—

(1) The table of chapters for the title is amended by inserting the following after the item relating to chapter 223:

''225. State rail plans .....22501''.

''(2) The chapter analysis for subtitle V is amended by inserting the following after the item relating to chapter 223:

''225. State rail plans .....24401''.

SEC. 303. NEXT GENERATION CORRIDOR TRAIN EQUIPMENT POOL.

(a) IN GENERAL.—Within 180 days after the date of enactment of this Act, Amtrak shall establish a Next Generation Corridor Equipment Pool Committee, comprised of representatives of Amtrak, the Federal Railroad Administration, and interested States. The purpose of the Committee shall be to design, develop specifications for, and procure standardized next-generation corridor equipment.

(b) FUNCTIONS.—The Committee may—

(1) determine the number of different types of equipment required, taking into account variations in operational needs and corridor infrastructure;

(2) establish a pool of equipment to be used on corridor routes funded by participating States; and

(3) subject to agreements between Amtrak and States, utilize services provided by Amtrak to design, maintain and remanufacture equipment.

(c) COOPERATIVE AGREEMENTS.—Amtrak and States participating in the Committee may enter into agreements for the funding, procurement, remanufacture, ownership and management of corridor equipment, including equipment currently owned or leased by Amtrak and next-generation corridor equipment acquired as a result of the Committee's actions, and may establish a corporation, which may be owned or jointly-owned by Amtrak, participating States or other entities, to perform these functions.

(d) FUNDING.—In addition to the authorization provided in section 105 of this division, capital projects to carry out the purposes of this section shall be eligible for grants made pursuant to chapter 244 of title 49, United States Code.

SEC. 304. FEDERAL RAIL POLICY.

Section 103 is amended—

(1) by inserting ''IN GENERAL.—'' before ''The Federal'' in subsection (a);

(2) by striking the second and third sentences of subsection (a);

(3) by inserting ''ADMINISTRATOR.—'' before ''The head'' in subsection (b);

(4) by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively and by inserting after subsection (b) the following:

''(c) SAFETY.—To carry out all railroad safety laws of the United States, the Administration is divided on a geographical basis into at least 8 safety offices. The Secretary of Transportation is responsible for all acts taken under those laws and for ensuring that the laws are uniformly administered and enforced among the safety offices.'';

(5) by inserting ''POWERS AND DUTIES.—'' before ''The'' in subsection (d), as redesignated;

(6) by striking ''and'' after the semicolon in paragraph (1) of subsection (d), as redesignated;

(7) by redesignating paragraph (2) of subsection (d), as redesignated, as paragraph (3) and inserting after paragraph (1) the following:

''(2) the duties and powers related to railroad policy and development under subsection (e); and'';

(8) by inserting ''TRANSFERS OF DUTY.—'' before ''A duty'' in subsection (e), as redesignated;

(9) by inserting ''CONTRACTS, GRANTS, LEASES, COOPERATIVE AGREEMENTS, AND SIMILAR TRANSACTIONS.—'' before ''Subject'' in subsection (f), as redesignated;

(10) by striking the last sentence in subsection (f), as redesignated; and

(11) by adding at the end the following:

''(g) ADDITIONAL DUTIES OF THE ADMINISTRATOR.—The Administrator shall—

''(1) provide assistance to States in developing State rail plans prepared under chapter 225 and review all State rail plans submitted under that section;

''(2) develop a long range national rail plan that is consistent with approved State rail plans and the rail needs of the Nation, as determined by the Secretary in order to promote an integrated, cohesive, efficient, and optimized national rail system for the movement of goods and people;

''(3) develop a preliminary national rail plan within a year after the date of enactment of the Passenger Rail Investment and Improvement Act of 2005;

''(4) develop and enhance partnerships with the freight and passenger railroad industry, States, and the public concerning rail development;

''(5) support rail intermodal development and high-speed rail development, including high speed rail planning;

''(6) ensure that programs and initiatives developed under this section benefit the public and work toward achieving regional and national transportation goals; and

''(7) facilitate and coordinate efforts to assist freight and passenger rail carriers, transit agencies and authorities, municipalities, and States in passenger-freight service integration on shared rights of way by providing neutral assistance at the joint request of affected rail service providers and infrastructure owners relating to operations and capacity analysis, capital requirements, operating costs, and other research and planning related to corridors shared by passenger or commuter rail service and freight rail operations.

''(h) PERFORMANCE GOALS AND REPORTS.—

''(1) PERFORMANCE GOALS.—In conjunction with the objectives established and activities undertaken under section 103(e) of this title, the Administrator shall develop a schedule for achieving specific, measurable performance goals.

''(2) RESOURCE NEEDS.—The strategy and annual plans shall include estimates of the funds and staff resources needed to accomplish each goal and the additional duties required under section 103(e).

''(3) SUBMISSION WITH PRESIDENT'S BUDGET.—Beginning with fiscal year 2007 and each fiscal year thereafter, the Secretary shall submit to Congress, at the same time as the President's budget submission, the Administration's performance goals and schedule developed under paragraph (1), including an assessment of the progress of the Administration toward achieving its performance goals.''.

SEC. 305. RAIL COOPERATIVE RESEARCH PROGRAM.

(a) ESTABLISHMENT AND CONTENT.—Chapter 249 is amended by adding at the end the following:

''§ 24910. Rail cooperative research program

''(a) IN GENERAL.—The Secretary shall establish and carry out a rail cooperative research program. The program shall—

''(1) address, among other matters, intercity rail passenger and freight rail services, including existing rail passenger and freight technologies and speeds, incrementally enhanced rail systems and infrastructure, and new high-speed wheel-on-rail systems and rail security;

''(2) address ways to expand the transportation of international trade traffic by rail,

enhance the efficiency of intermodal interchange at ports and other intermodal terminals, and increase capacity and availability of rail service for seasonal freight needs;

''(3) consider research on the interconnectedness of commuter rail, passenger rail, freight rail, and other rail networks; and

''(4) give consideration to regional concerns regarding rail passenger and freight transportation, including meeting research needs common to designated high-speed corridors, long-distance rail services, and regional intercity rail corridors, projects, and entities.

''(b) CONTENT.—The program to be carried out under this section shall include research designed—

''(1) to identify the unique aspects and attributes of rail passenger and freight service;

''(2) to develop more accurate models for evaluating the impact of rail passenger and freight service, including the effects on highway and airport and airway congestion, environmental quality, and energy consumption;

''(3) to develop a better understanding of modal choice as it affects rail passenger and freight transportation, including development of better models to predict utilization;

''(4) to recommend priorities for technology demonstration and development;

''(5) to meet additional priorities as determined by the advisory board established under subsection (c), including any recommendations made by the National Research Council;

''(6) to explore improvements in management, financing, and institutional structures;

''(7) to address rail capacity constraints that affect passenger and freight rail service through a wide variety of options, ranging from operating improvements to dedicated new infrastructure, taking into account the impact of such options on operations;

''(8) to improve maintenance, operations, customer service, or other aspects of intercity rail passenger and freight service;

''(9) to recommend objective methodologies for determining intercity passenger rail routes and services, including the establishment of new routes, the elimination of existing routes, and the contraction or expansion of services or frequencies over such routes;

''(10) to review the impact of equipment and operational safety standards on the further development of high speed passenger rail operations connected to or integrated with non-high speed freight or passenger rail operations; and

''(11) to recommend any legislative or regulatory changes necessary to foster further development and implementation of high speed passenger rail operations while ensuring the safety of such operations that are connected to or integrated with non-high speed freight or passenger rail operations.

''(c) ADVISORY BOARD.—

''(1) ESTABLISHMENT.—In consultation with the heads of appropriate Federal departments and agencies, the Secretary shall establish an advisory board to recommend research, technology, and technology transfer activities related to rail passenger and freight transportation.

''(2) MEMBERSHIP.—The advisory board shall include—

''(A) representatives of State transportation agencies;

''(B) transportation and environmental economists, scientists, and engineers; and

''(C) representatives of Amtrak, the Alaska Railroad, freight railroads, transit operating agencies, intercity rail passenger agencies, railway labor organizations, and environmental organizations.

''(d) NATIONAL ACADEMY OF SCIENCES.— The Secretary may make grants to, and enter into cooperative agreements with, the National Academy of Sciences to carry out such activities relating to the research, technology, and technology transfer activities described in subsection (b) as the Secretary deems appropriate.''.

(b) CLERICAL AMENDMENT.—The chapter analysis for chapter 249 is amended by adding at the end the following:

''24910. Rail cooperative research program''.

TITLE IV—PASSENGER RAIL SECURITY AND SAFETY

SEC. 401. SYSTEMWIDE AMTRAK SECURITY UPGRADES.

(a) IN GENERAL—Subject to subsection (c) the Secretary of Homeland Security, in consultation with the Secretary of Transportation, is authorized to make grants to Amtrak—

(1) to secure major tunnel access points and ensure tunnel integrity in New York, Baltimore, and Washington, DC;

(2) to secure Amtrak trains;

(3) to secure Amtrak stations;

(4) to obtain a watch list identification system approved by the Secretary;

(5) to obtain train tracking and interoperable communications systems that are coordinated to the maximum extent possible;

(6) to hire additional police and security officers, including canine units;

(7) to expand emergency preparedness efforts; and

(8) for employee security training.

(b) CONDITIONS.—The Secretary of Transportation shall disburse funds to Amtrak provided under subsection (a) for projects contained in a systemwide security plan approved by the Secretary of Homeland Security. The plan shall include appropriate measures to address security awareness, emergency response, and passenger evacuation training.

(c) EQUITABLE GEOGRAPHIC ALLOCATION.—The Secretary shall ensure that, subject to meeting the highest security needs on Amtrak's entire system, stations and facilities located outside of the Northeast Corridor receive an equitable share of the security funds authorized by this section.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Homeland Security to carry out this section—

(1) $63,500,000 for fiscal year 2006;

(2) $30,000,000 for fiscal year 2007; and

(3) $30,000,000 for fiscal year 2008.

Amounts appropriated pursuant to this subsection shall remain available until expended.

SEC. 402. FIRE AND LIFE-SAFETY IMPROVEMENTS.

(a) LIFE-SAFETY NEEDS.—The Secretary of Transportation is authorized to make grants to Amtrak for the purpose of making fire and life-safety improvements to Amtrak tunnels on the Northeast Corridor in New York, NY, Baltimore, MD, and Washington, DC.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Transportation for the purposes of carrying out subsection (a) the following amounts:

(1) For the 6 New York tunnels to provide ventilation, electrical, and fire safety technology upgrades, emergency communication and lighting systems, and emergency access and egress for passengers—

(A) $190,000,000 for fiscal year 2006;

(B) $190,000,000 for fiscal year 2007;

(C) $190,000,000 for fiscal year 2008;

(2) For the Baltimore & Potomac tunnel and the Union tunnel, together, to provide adequate drainage, ventilation, communication, lighting, and passenger egress upgrades—

(A) $19,000,000 for fiscal year 2006;

(B) $19,000,000 for fiscal year 2007;

(C) $19,000,000 for fiscal year 2008;

(3) For the Washington, DC, Union Station tunnels to improve ventilation, communication, lighting, and passenger egress upgrades—

(A) $13,333,000 for fiscal year 2006;

(B) $13,333,000 for fiscal year 2007;

(C) $13,333,000 for fiscal year 2008;

(c) INFRASTRUCTURE UPGRADES.—There are authorized to be appropriated to the Secretary of Transportation for fiscal year 2006 $3,000,000 for the preliminary design of options for a new tunnel on a different alignment to augment the capacity of the existing Baltimore tunnels.

(d) AVAILABILITY OF APPROPRIATED FUNDS.—Amounts made available pursuant to this section shall remain available until expended.

(e) PLANS REQUIRED.—The Secretary may not make amounts available to Amtrak for obligation or expenditure under subsection (a)—

(1) until Amtrak has submitted to the Secretary, and the Secretary has approved, an engineering and financial plan for such projects; and

(2) unless, for each project funded pursuant to this section, the Secretary has approved a project management plan prepared by Amtrak addressing appropriate project budget, construction schedule, recipient staff organization, document control and record keeping, change order procedure, quality control and assurance, periodic plan updates, and periodic status reports.

(f) REVIEW OF PLANS.—The Secretary of Transportation shall complete the review of the plans required by paragraphs (1) and (2) of subsection (e) and approve or disapprove the plans within 45 days after the date on which each such plan is submitted by Amtrak. If the Secretary determines that a plan is incomplete or deficient, the Secretary shall notify Amtrak of the incomplete items or deficiencies and Amtrak shall, within 30 days after receiving the Secretary's notification, submit a modified plan for the Secretary's review. Within 15 days after receiving additional information on items previously included in the plan, and within 45 days after receiving items newly included in a modified plan, the Secretary shall either approve the modified plan, or, if the Secretary finds the plan is still incomplete or deficient, the Secretary shall identify in writing to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure the portions of the plan the Secretary finds incomplete or deficient, approve all other portions of the plan, obligate the funds associated with those other portions, and execute an agreement with Amtrak within 15 days thereafter on a process for resolving the remaining portions of the plan.

(g) FINANCIAL CONTRIBUTION FROM OTHER TUNNEL USERS.—The Secretary shall, taking into account the need for the timely completion of all portions of the tunnel projects described in subsection (a)—

(1) consider the extent to which rail carriers other than Amtrak use or plan to use the tunnels;

(2) consider the feasibility of seeking a financial contribution from those other rail carriers toward the costs of the projects; and

(3) obtain financial contributions or commitments from such other rail carriers at levels reflecting the extent of their use or planned use of the tunnels, if feasible.

SEC. 403. AMTRAK PLAN TO ASSIST FAMILIES OF PASSENGERS INVOLVED IN RAIL PASSENGER ACCIDENTS.

(a) IN GENERAL.—Chapter 243 of title 49, United States Code, is amended by adding at the end the following:

"§ 24316. Plans to address needs of families of passengers involved in rail passenger accidents

''(a) SUBMISSION OF PLAN.—Not later than 6 months after the date of the enactment of the Passenger Rail Investment and Improvement Act of 2005, Amtrak shall submit to the Chairman of the National Transportation Safety Board and the Secretary of Transportation a plan for addressing the needs of the families of passengers involved in any rail passenger accident involving an Amtrak intercity train and resulting in a loss of life.

''(b) CONTENTS OF PLANS.—The plan to be submitted by Amtrak under subsection (a) shall include, at a minimum, the following:

''(1) A process by which Amtrak will maintain and provide to the National Transportation Safety Board and the Secretary of Transportation, immediately upon request, a list (which is based on the best available information at the time of the request) of the names of the passengers aboard the train (whether or not such names have been verified), and will periodically update the list. The plan shall include a procedure, with respect to unreserved trains and passengers not holding reservations on other trains, for Amtrak to use reasonable efforts to ascertain the number and names of passengers aboard a train involved in an accident.

''(2) A plan for creating and publicizing a reliable, toll-free telephone number within 4 hours after such an accident occurs, and for providing staff, to handle calls from the families of the passengers.

''(3) A process for notifying the families of the passengers, before providing any public notice of the names of the passengers, by suitably trained individuals.

''(4) A process for providing the notice described in paragraph (2) to the family of a passenger as soon as Amtrak has verified that the passenger was aboard the train (whether or not the names of all of the passengers have been verified).

''(5) A process by which the family of each passenger will be consulted about the disposition of all remains and personal effects of the passenger within Amtrak's control; that any possession of the passenger within Amtrak's control will be returned to the family unless the possession is needed for the accident investigation or any criminal investigation; and that any unclaimed possession of a passenger within Amtrak's control will be retained by the rail passenger carrier for at least 18 months.

''(6) A process by which the treatment of the families of nonrevenue passengers will be the same as the treatment of the families of revenue passengers.

''(7) An assurance that Amtrak will provide adequate training to its employees and agents to meet the needs of survivors and family members following an accident.

''(c) USE OF INFORMATION.—The National Transportation Safety Board, the Secretary of Transportation, and Amtrak may not release to any person information on a list obtained under subsection (b)(1) but may provide information on the list about a passenger to the family of the passenger to the extent that the Board or Amtrak considers appropriate.

''(d) LIMITATION ON LIABILITY.—Amtrak shall not be liable for damages in any action brought in a Federal or State court arising out of the performance of Amtrak in preparing or providing a passenger list, or in providing information concerning a train reservation, pursuant to a plan submitted by Amtrak under subsection (b), unless such liability was caused by Amtrak's conduct.

''(e) LIMITATION ON STATUTORY CONSTRUCTION.—Nothing in this section may be construed as limiting the actions that Amtrak may take, or the obligations that Amtrak may have, in providing assistance to the families of passengers involved in a rail passenger accident.

''(f) FUNDING.—There are authorized to be appropriated to the Secretary of Transportation for the use of Amtrak $500,000 for fiscal year 2006 to carry out this section. Amounts made available pursuant to this subsection shall remain available until expended.''.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 243 of title 49, United States Code, is amended by adding at the end the following:

''24316. Plan to assist families of passengers involved in rail passenger accidents.''.

SEC. 404. NORTHERN BORDER RAIL PASSENGER REPORT.

Within 180 days after the date of enactment of this Act, the Secretary of Transportation, in consultation with the Secretary of Homeland Security, the Assistant Secretary of Homeland Security (Transportation Security Administration), heads of other appropriate Federal departments, and agencies and the National Railroad Passenger Corporation, shall transmit a report to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure that contains—

(1) a description of the current system for screening passengers and baggage on passenger rail service between the United States and Canada;

(2) an assessment of the current program to provide preclearance of airline passengers between the United States and Canada as outlined in ''The Agreement on Air Transport Preclearance between the Government of Canada and the Government of the United States of America'', dated January 18, 2001;

(3) an assessment of the current program to provide preclearance of freight railroad traffic between the United States and Canada as outlined in the ''Declaration of Principle for the Improved Security of Rail Shipments by Canadian National Railway and Canadian Pacific Railway from Canada to the United States'', dated April 2, 2003;

(4) information on progress by the Department of Homeland Security and other Federal agencies towards finalizing a bilateral protocol with Canada that would provide for preclearance of passengers on trains operating between the United States and Canada;

(5) a description of legislative, regulatory, budgetary, or policy barriers within the United States Government to providing prescreened passenger lists for rail passengers traveling between the United States and Canada to the Department of Homeland Security;

(6) a description of the position of the Government of Canada and relevant Canadian agencies with respect to preclearance of such passengers;

(7) a draft of any changes in existing Federal law necessary to provide for pre-screening of such passengers and providing prescreened passenger lists to the Department of Homeland Security; and

(8) an analysis of the feasibility of reinstating United States Customs and Border Patrol rolling inspections onboard international Amtrak trains.

SEC. 405. PASSENGER, BAGGAGE, AND CARGO SCREENING.

(a) REQUIREMENT FOR STUDY AND REPORT.—The Secretary of Homeland Security, in cooperation with the Secretary of Transportation through the Assistant Secretary of Homeland Security (Transportation Security Administration) and other appropriate agencies, shall—

(1) study the cost and feasibility of requiring security screening for passengers, baggage, and cargo on passenger trains including an analysis of any passenger train screening pilot programs undertaken by the Department of Homeland Security; and

(2) report the results of the study, together with any recommendations that the Secretary of Homeland Security may have for implementing a rail security screening program to the Senate Committee on Commerce, Science, and Transportation and the House of Representatives Committee on Transportation and Infrastructure within 1 year after the date of enactment of this Act.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Homeland Security $1,000,000 for fiscal year 2006 to carry out this section.

MOTION OFFERED BY MR. NUSSLE

Mr. NUSSLE. Mr. Speaker, pursuant to House Resolution 560, I offer a motion.

The Clerk read as follows:

Mr. Nussle moves to strike all after the enacting clause of S. 1932, and insert in lieu thereof the provisions of H.R. 4241 as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

CONFERENCE REPORT ON H.R. 2528, MILITARY QUALITY OF LIFE AND VETERANS AFFAIRS APPROPRIATIONS ACT, 2006

Mr. WALSH submitted the following conference report and statement on the bill (H.R. 2528) making appropriations for military quality of life functions of the Department of Defense, military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2006, and for other purposes:

CONFERENCE REPORT (H. REPT. 109–305)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2528) ''making appropriations for military quality of life functions of the Department of Defense, military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2006, 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, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated for military quality of life functions of the Department of Defense, military construction, the Department of Veterans Affairs, and related agencies, for the fiscal year ending September 30, 2006, and for other purposes, namely:

TITLE I

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION, ARMY

(INCLUDING RESCISSIONS OF FUNDS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and

real property for the Army as currently authorized by law, including personnel in the Army Corps of Engineers and other personal services necessary for the purposes of this appropriation, and for construction and operation of facilities in support of the functions of the Commander in Chief, $1,775,260,000, to remain available until September 30, 2010: Provided, That of this amount, not to exceed $170,021,000 shall be available for study, planning, design, architect and engineer services, and host nation support, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor: Provided further, That of the funds provided, $50,000,000, to remain available until September 30, 2007, shall be for overhead cover systems to support force protection activities in Iraq: Provided further, That of the funds appropriated for ''Military Construction, Army'' under Public Law 107–249, $3,046,000 are hereby rescinded: Provided further, That of the funds appropriated for ''Military Construction, Army'' under Public Law 108–324, $16,700,000 are hereby rescinded.

MILITARY CONSTRUCTION, NAVY AND MARINE CORPS

(INCLUDING RESCISSIONS OF FUNDS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, naval installations, facilities, and real property for the Navy and Marine Corps as currently authorized by law, including personnel in the Naval Facilities Engineering Command and other personal services necessary for the purposes of this appropriation, $1,157,141,000, to remain available until September 30, 2010: Provided, That of this amount, not to exceed $34,893,000 shall be available for study, planning, design, and architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor: Provided further, That of the funds appropriated for ''Military Construction, Navy and Marine Corps'' under Public Law 108–132, $5,767,000 are hereby rescinded: Provided further, That of the funds appropriated for ''Military Construction, Navy and Marine Corps'' under Public Law 108–324, $44,270,000 are hereby rescinded.

MILITARY CONSTRUCTION, AIR FORCE

(INCLUDING RESCISSIONS OF FUNDS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, military installations, facilities, and real property for the Air Force as currently authorized by law, $1,288,530,000, to remain available until September 30, 2010: Provided, That of this amount, not to exceed $95,537,000 shall be available for study, planning, design, and architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor: Provided further, That of the funds appropriated for ''Military Construction, Air Force'' under Public Law 108–11, $13,000,000 are hereby rescinded: Provided further, That of the funds appropriated for ''Military Construction, Air Force'' under Public Law 108–132, $6,600,000 are hereby rescinded: Provided further, That of the funds appropriated for ''Military Construction, Air Force'' under Public Law 108–324, $9,500,000 are hereby rescinded: Provided further, That of the funds appropriated for ''Military Construction, Air Force'' under Public Law 109–13, $46,500,000 are hereby rescinded.

MILITARY CONSTRUCTION, DEFENSE-WIDE

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)

For acquisition, construction, installation, and equipment of temporary or permanent public works, installations, facilities, and real property for activities and agencies of the Department of Defense (other than the military departments), as currently authorized by law, $1,008,855,000, to remain available until September 30, 2010: Provided, That such amounts of this appropriation as may be determined by the Secretary of Defense may be transferred to such appropriations of the Department of Defense available for military construction or family housing as the Secretary may designate, to be merged with and to be available for the same purposes, and for the same time period, as the appropriation or fund to which transferred: Provided further, That of the amount appropriated, not to exceed $136,406,000 shall be available for study, planning, design, and architect and engineer services, as authorized by law, unless the Secretary of Defense determines that additional obligations are necessary for such purposes and notifies the Committees on Appropriations of both Houses of Congress of the determination and the reasons therefor: Provided further, That of the funds appropriated for ''Military Construction, Defense-Wide'' under Public Law 108–324, $20,000,000 are hereby rescinded.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army National Guard, and contributions therefor, as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, $523,151,000, to remain available until September 30, 2010.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

(INCLUDING RESCISSION OF FUNDS)

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air National Guard, and contributions therefor, as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, $316,117,000, to remain available until September 30, 2010: Provided, That of the funds appropriated for ''Military Construction, Air National Guard'' under Public Law 108–324, $13,700,000 are hereby rescinded.

MILITARY CONSTRUCTION, ARMY RESERVE

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Army Reserve as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, $152,569,000, to remain available until September 30, 2010.

MILITARY CONSTRUCTION, NAVAL RESERVE

(INCLUDING RESCISSIONS OF FUNDS)

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the reserve components of the Navy and Marine Corps as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, $46,864,000, to remain available until September 30, 2010: Provided, That of the funds appropriated for ''Military Construction, Naval Reserve'' under Public Law 108–132, $5,368,000 are hereby rescinded: Provided further, That of the funds appropriated for ''Military Construction, Naval Reserve'' under Public Law 108–324, $11,192,000 are hereby rescinded.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

(INCLUDING RESCISSION OF FUNDS)

For construction, acquisition, expansion, rehabilitation, and conversion of facilities for the training and administration of the Air Force Reserve as authorized by chapter 1803 of title 10, United States Code, and Military Construction Authorization Acts, $105,883,000, to remain available until September 30, 2010: Provided, That of the funds appropriated for ''Military Construction, Air Force Reserve'' under Public Law 108–324, $13,815,000 are hereby rescinded.

NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

(INCLUDING RESCISSION OF FUNDS)

For the United States share of the cost of the North Atlantic Treaty Organization Security Investment Program for the acquisition and construction of military facilities and installations (including international military headquarters) and for related expenses for the collective defense of the North Atlantic Treaty Area as authorized by section 2806 of title 10, United States Code, and Military Construction Authorization Acts, $206,858,000, to remain available until expended: Provided, That of the funds appropriated for ''North Atlantic Treaty Organization Security Investment Program'' under Public Law 108–324, $30,000,000 are hereby rescinded.

FAMILY HOUSING CONSTRUCTION, ARMY

(INCLUDING RESCISSION OF FUNDS)

For expenses of family housing for the Army for construction, including acquisition, replacement, addition, expansion, extension, and alteration, as authorized by law, $549,636,000, to remain available until September 30, 2010: Provided, That of the funds appropriated for ''Family Housing Construction, Army'' under Public Law 108–324, $16,000,000 are hereby rescinded.

FAMILY HOUSING OPERATION AND MAINTENANCE, ARMY

For expenses of family housing for the Army for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, $803,993,000.

FAMILY HOUSING CONSTRUCTION, NAVY AND MARINE CORPS

For expenses of family housing for the Navy and Marine Corps for construction, including acquisition, replacement, addition, expansion, extension, and alteration, as authorized by law, $218,942,000, to remain available until September 30, 2010.

FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND MARINE CORPS

For expenses of family housing for the Navy and Marine Corps for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, $588,660,000.

FAMILY HOUSING CONSTRUCTION, AIR FORCE

(INCLUDING RESCISSIONS OF FUNDS)

For expenses of family housing for the Air Force for construction, including acquisition, replacement, addition, expansion, extension, and alteration, as authorized by law, $1,101,887,000, to remain available until September 30, 2010: Provided, That of the funds appropriated for ''Family Housing Construciton, Air Force'' under Public Law 107–249, $7,700,000 are hereby rescinded: Provided further, That of the funds appropriated for ''Family Housing Construction, Air Force'' under Public Law 108–132, $4,500,000 are hereby rescinded: Provided further, That of the funds appropriated for ''Family Housing Construction, Air Force'' under Public Law 108–324, $31,700,000 are hereby rescinded.

FAMILY HOUSING OPERATION AND MAINTENANCE, AIR FORCE

For expenses of family housing for the Air Force for operation and maintenance, including debt payment, leasing, minor construction, principal and interest charges, and insurance premiums, as authorized by law, $766,939,000.

FAMILY HOUSING OPERATION AND MAINTENANCE, DEFENSE-WIDE

For expenses of family housing for the activities and agencies of the Department of Defense

(other than the military departments) for operation and maintenance, leasing, and minor construction, as authorized by law, $46,391,000.

DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND

For the Department of Defense Family Housing Improvement Fund, $2,500,000, to remain available until expended, for family housing initiatives undertaken pursuant to section 2883 of title 10, United States Code, providing alternative means of acquiring and improving military family housing and supporting facilities.

DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 1990

For deposit into the Department of Defense Base Closure Account 1990, established by section 2906(a)(1) of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2687 note), $254,827,000, to remain available until expended.

DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 2005

For deposit into the Department of Defense Base Closure Account 2005, established by section 2906A(a)(1) of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2687 note), $1,504,466,000, to remain available until expended: Provided, That these funds may not be obligated or expended until the Secretary of Defense submits to the congressional defense committees and receives approval of a report describing the specific programs, projects, and activities for which such funds are to be obligated.

ADMINISTRATIVE PROVISIONS

SEC. 101. None of the funds made available in this title shall be expended for payments under a cost-plus-a-fixed-fee contract for construction, where cost estimates exceed $25,000, to be performed within the United States, except Alaska, without the specific approval in writing of the Secretary of Defense setting forth the reasons therefor.

SEC. 102. Funds made available in this title for construction shall be available for hire of passenger motor vehicles.

SEC. 103. Funds made available in this title for construction may be used for advances to the Federal Highway Administration, Department of Transportation, for the construction of access roads as authorized by section 210 of title 23, United States Code, when projects authorized therein are certified as important to the national defense by the Secretary of Defense.

SEC. 104. None of the funds made available in this title may be used to begin construction of new bases in the United States for which specific appropriations have not been made.

SEC. 105. None of the funds made available in this title shall be used for purchase of land or land easements in excess of 100 percent of the value as determined by the Army Corps of Engineers or the Naval Facilities Engineering Command, except: (1) where there is a determination of value by a Federal court; (2) purchases negotiated by the Attorney General or the designee of the Attorney General; (3) where the estimated value is less than $25,000; or (4) as otherwise determined by the Secretary of Defense to be in the public interest.

SEC. 106. None of the funds made available in this title shall be used to: (1) acquire land; (2) provide for site preparation; or (3) install utilities for any family housing, except housing for which funds have been made available in annual Acts making appropriations for military construction.

SEC. 107. None of the funds made available in this title for minor construction may be used to transfer or relocate any activity from one base or installation to another, without prior notification to the Committees on Appropriations of both Houses of Congress.

SEC. 108. None of the funds made available in this title may be used for the procurement of steel for any construction project or activity for which American steel producers, fabricators, and manufacturers have been denied the opportunity to compete for such steel procurement.

SEC. 109. None of the funds available to the Department of Defense for military construction or family housing during the current fiscal year may be used to pay real property taxes in any foreign nation.

SEC. 110. None of the funds made available in this title may be used to initiate a new installation overseas without prior notification to the Committees on Appropriations of both Houses of Congress.

SEC. 111. None of the funds made available in this title may be obligated for architect and engineer contracts estimated by the Government to exceed $500,000 for projects to be accomplished in Japan, in any North Atlantic Treaty Organization member country, or in countries bordering the Arabian Sea, unless such contracts are awarded to United States firms or United States firms in joint venture with host nation firms.

SEC. 112. None of the funds made available in this title for military construction in the United States territories and possessions in the Pacific and on Kwajalein Atoll, or in countries bordering the Arabian Sea, may be used to award any contract estimated by the Government to exceed $1,000,000 to a foreign contractor: Provided, That this section shall not be applicable to contract awards for which the lowest responsive and responsible bid of a United States contractor exceeds the lowest responsive and responsible bid of a foreign contractor by greater than 20 percent: Provided further, That this section shall not apply to contract awards for military construction on Kwajalein Atoll for which the lowest responsive and responsible bid is submitted by a Marshallese contractor.

SEC. 113. The Secretary of Defense is to inform the appropriate committees of both Houses of Congress, including the Committees on Appropriations, of the plans and scope of any proposed military exercise involving United States personnel 30 days prior to its occurring, if amounts expended for construction, either temporary or permanent, are anticipated to exceed $100,000.

SEC. 114. Not more than 20 percent of the funds made available in this title which are limited for obligation during the current fiscal year shall be obligated during the last two months of the fiscal year.

(TRANSFER OF FUNDS)

SEC. 115. Funds appropriated to the Department of Defense for construction in prior years shall be available for construction authorized for each such military department by the authorizations enacted into law during the current session of Congress.

SEC. 116. For military construction or family housing projects that are being completed with funds otherwise expired or lapsed for obligation, expired or lapsed funds may be used to pay the cost of associated supervision, inspection, overhead, engineering and design on those projects and on subsequent claims, if any.

SEC. 117. Notwithstanding any other provision of law, any funds made available to a military department or defense agency for the construction of military projects may be obligated for a military construction project or contract, or for any portion of such a project or contract, at any time before the end of the fourth fiscal year after the fiscal year for which funds for such project were made available, if the funds obligated for such project: (1) are obligated from funds available for military construction projects; and (2) do not exceed the amount appropriated for such project, plus any amount by which the cost of such project is increased pursuant to law.

SEC. 118. The Secretary of Defense is to provide the Committees on Appropriations of both Houses of Congress with an annual report by February 15, containing details of the specific actions proposed to be taken by the Department of Defense during the current fiscal year to encourage other member nations of the North Atlantic Treaty Organization, Japan, Korea, and United States allies bordering the Arabian Sea to assume a greater share of the common defense burden of such nations and the United States.

(TRANSFER OF FUNDS)

SEC. 119. In addition to any other transfer authority available to the Department of Defense, proceeds deposited to the Department of Defense Base Closure Account established by section 207(a)(1) of the Defense Authorization Amendments and Base Closure and Realignment Act (10 U.S.C. 2687 note) pursuant to section 207(a)(2)(C) of such Act, may be transferred to the account established by section 2906(a)(1) of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2687 note), to be merged with, and to be available for the same purposes and the same time period as that account.

(TRANSFER OF FUNDS)

SEC. 120. Subject to 30 days prior notification to the Committees on Appropriations of both Houses of Congress, such additional amounts as may be determined by the Secretary of Defense may be transferred to: (1) the Department of Defense Family Housing Improvement Fund from amounts appropriated for construction in ''Family Housing'' accounts, to be merged with and to be available for the same purposes and for the same period of time as amounts appropriated directly to the Fund; or (2) the Department of Defense Military Unaccompanied Housing Improvement Fund from amounts appropriated for construction of military unaccompanied housing in ''Military Construction'' accounts, to be merged with and to be available for the same purposes and for the same period of time as amounts appropriated directly to the Fund: Provided, That appropriations made available to the Funds shall be available to cover the costs, as defined in section 502(5) of the Congressional Budget Act of 1974, of direct loans or loan guarantees issued by the Department of Defense pursuant to the provisions of subchapter IV of chapter 169 of title 10, United States Code, pertaining to alternative means of acquiring and improving military family housing, military unaccompanied housing, and supporting facilities.

SEC. 121. None of the funds made available in this title may be obligated for Partnership for Peace Programs in the New Independent States of the former Soviet Union.

SEC. 122. (a) Not later than 60 days before issuing any solicitation for a contract with the private sector for military family housing the Secretary of the military department concerned shall submit to the Committees on Appropriations of both Houses of Congress the notice described in subsection (b).

(b)(1) A notice referred to in subsection (a) is a notice of any guarantee (including the making of mortgage or rental payments) proposed to be made by the Secretary to the private party under the contract involved in the event of—

(A) the closure or realignment of the installation for which housing is provided under the contract;

(B) a reduction in force of units stationed at such installation; or

(C) the extended deployment overseas of units stationed at such installation.

(2) Each notice under this subsection shall specify the nature of the guarantee involved and assess the extent and likelihood, if any, of the liability of the Federal Government with respect to the guarantee.

(TRANSFER OF FUNDS)

SEC. 123. In addition to any other transfer authority available to the Department of Defense, amounts may be transferred from the account established by section 2906(a)(1) of the Defense Base Closure and Realignment Act of 1990 (10 U.S.C. 2687 note), to the fund established by section 1013(d) of the Demonstration Cities and Metropolitan Development Act of 1966 (42 U.S.C. 3374) to pay for expenses associated with the Homeowners Assistance Program. Any amounts

transferred shall be merged with and be available for the same purposes and for the same time period as the fund to which transferred.

SEC. 124. Notwithstanding this or any other provision of law, funds made available in this title for operation and maintenance of family housing shall be the exclusive source of funds for repair and maintenance of all family housing units, including general or flag officer quarters: Provided, That not more than $35,000 per unit may be spent annually for the maintenance and repair of any general or flag officer quarters without 30 days prior notification to the Committees on Appropriations of both Houses of Congress, except that an after-the-fact notification shall be submitted if the limitation is exceeded solely due to costs associated with environmental remediation that could not be reasonably anticipated at the time of the budget submission: Provided further, That the Under Secretary of Defense (Comptroller) is to report annually to the Committees on Appropriations of both Houses of Congress all operation and maintenance expenditures for each individual general or flag officer quarters for the prior fiscal year.

SEC. 125. None of the funds made available in this title under the heading ''North Atlantic Treaty Organization Security Investment Program'', and no funds appropriated for any fiscal year before fiscal year 2006 for that program that remain available for obligation, may be obligated or expended for the conduct of studies of missile defense.

SEC. 126. Whenever the Secretary of Defense or any other official of the Department of Defense is requested by the subcommittee on Military Quality of Life and Veterans Affairs, and Related Agencies of the Committee on Appropriations of the House of Representatives or the subcommittee on Military Construction and Veterans Affairs, and Related Agencies of the Committee on Appropriations of the Senate to respond to a question or inquiry submitted by the chairman or another member of that subcommittee pursuant to a subcommittee hearing or other activity, the Secretary (or other official) shall respond to the request, in writing, within 21 days of the date on which the request is transmitted to the Secretary (or other official).

SEC. 127. Amounts contained in the Ford Island Improvement Account established by subsection (h) of section 2814 of title 10, United States Code, are appropriated and shall be available until expended for the purposes specified in subsection (i)(1) of such section or until transferred pursuant to subsection (i)(3) of such section.

(TRANSFER OF FUNDS)

SEC. 128. None of the funds made available in this title, or in any Act making appropriations for military construction which remain available for obligation, may be obligated or expended to carry out a military construction, land acquisition, or family housing project at or for a military installation approved for closure, or at a military installation for the purposes of supporting a function that has been approved for realignment to another installation, in 2005 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), unless such a project at a military installation approved for realignment will support a new mission or function that is planned for that installation, or unless the Secretary of Defense certifies that the cost to the United States of carrying out such project would be less than the cost to the United States of cancelling such project, or if the project is at an active component base that shall be established as an enclave or in the case of projects having multi-agency use, that another Government agency has indicated it will assume ownership of the completed project. The Secretary of Defense may not transfer funds made available as a result of this limitation from any military construction project, land acquisition, or family housing project to another account or use such funds for another purpose or project without the prior approval of the Committees on Appropriations of both Houses of Congress.

SEC. 129. (a) Of the amount in the Department of Defense Base Closure Account 1990 under section 2906(a)(1) of 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) that is derived from the disposal of Department of the Navy property under that Act, not less than $300,000,000 shall be available exclusively to the Department of the Navy for the costs of environmental restoration and property management and disposal of property at installations of the Department of the Navy closed or realigned under that Act.

(b) The amount available under subsection (a) shall remain available for the costs specified in that subsection until expended.

(c) Not later than 45 days after the date of enactment of this Act, the Secretary of the Navy shall submit to the Committees on Appropriations of both Houses of Congress, a report containing a plan for the use of the funds made available under subsection (a) for environmental restoration, and for property management and disposal, at covered Navy installations, including specific sites and work to be accomplished at those sites. None of the funds made available under subsection (a) shall be obligated until both of such committees approve such report or the expiration of the 30-day period beginning on the date such committees receive such report, whichever occurs earlier.

Sec. 130. Not later than 45 days after the date of the enactment of this Act, the Secretary of the Air Force shall submit to the Committees on Appropriations of both Houses of Congress, a report containing a housing plan for Spangdahlem Air Base, Germany, as outlined in the Statement of Managers accompanying the Conference report for H.R. 2528 of the 109th Congress. None of the funds made available in this title shall be used for the construction of family housing at Spangdahlem Air Base, Germany, until both of such committees approve such report or the expiration of the 30-day period beginning on the date such committees receive such report, whichever occurs earlier.

TITLE II

DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by law (38 U.S.C. 107, chapters 11, 13, 18, 51, 53, 55, and 61); pension benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and burial benefits, the Reinstated Entitlement Program for Survivors, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of title IV of the Servicemembers Civil Relief Act (50 U.S.C. App. 540 et seq.) and for other benefits as authorized by law (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198), $33,897,787,000, to remain available until expended: Provided, That not to exceed $23,491,000 of the amount appropriated under this heading shall be reimbursed to ''General operating expenses'' and ''Medical administration'' for necessary expenses in implementing the provisions of chapters 51, 53, and 55 of title 38, United States Code, the funding source for which is specifically provided as the ''Compensation and pensions'' appropriation: Provided further, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to ''Medical care collections fund'' to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized.

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61), $3,309,234,000, to remain available until expended: Provided, That expenses for rehabilitation program services and assistance which the Secretary is authorized to provide under section 3104(a) of title 38 United States Code, other than under subsection (a)(1), (2), (5), and (11) of that section, shall be charged to this account.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by title 38, United States Code, chapter 19; 70 Stat. 887; 72 Stat. 487, $45,907,000, to remain available until expended.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by chapter 37 of title 38, United States Code: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That during fiscal year 2006, within the resources available, not to exceed $500,000 in gross obligations for direct loans are authorized for specially adapted housing loans.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $153,575,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $53,000, as authorized by chapter 31 of title 38, United States Code: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That funds made available under this heading are available to subsidize gross obligations for the principal amount of direct loans not to exceed $4,242,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $305,000, which may be transferred to and merged with the appropriation for ''General operating expenses''.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by subchapter V of chapter 37 of title 38, United States Code, $580,000, which may be transferred to and merged with the appropriation for ''General operating expenses'': Provided, That no new loans in excess of $30,000,000 may be made in fiscal year 2006.

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM ACCOUNT

For the administrative expenses to carry out the guaranteed transitional housing loan program authorized by subchapter VI of chapter 37 of title 38, United States Code, not to exceed $750,000 of the amounts appropriated by this Act for ''General operating expenses'' and ''Medical administration'' may be expended.

VETERANS HEALTH ADMINISTRATION

MEDICAL SERVICES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs and veterans described

in section 1705(a) of title 38, United States Code, including care and treatment in facilities not under the jurisdiction of the Department, and including medical supplies and equipment and salaries and expenses of health-care employees hired under title 38, United States Code, and aid to State homes as authorized by section 1741 of title 38, United States Code; $22,547,141,000, plus reimbursements, of which not less than $2,200,000,000 shall be expended for specialty mental health care: Provided, That $1,225,000,000 of the amount provided under this heading is designated by the Congress as an emergency requirement pursuant to section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006; Provided further, That such $1,225,000,000 shall be available only if an official budget request is transmitted by the President to the Congress that revises the President's budget amendment of July 14, 2005, to designate the entire $1,225,000,000 as an emergency requirement: Provided further, That of the funds made available under this heading, not to exceed $1,100,000,000 shall be available until September 30, 2007: Provided further, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs shall establish a priority for treatment for veterans who are service-connected disabled, lower income, or have special needs: Provided further, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs shall give priority funding for the provision of basic medical benefits to veterans in enrollment priority groups 1 through 6: Provided further, That, notwithstanding any other provision of law, the Secretary of Veterans Affairs may authorize the dispensing of prescription drugs from Veterans Health Administration facilities to enrolled veterans with privately written prescriptions based on requirements established by the Secretary: Provided further, That the implementation of the program described in the previous proviso shall incur no additional cost to the Department of Veterans Affairs: Provided further, That for the Department of Defense/Department of Veterans Affairs Health Care Sharing Incentive Fund, as authorized by section 721 of Public Law 107–314, a minimum of $15,000,000, to remain available until expended, for any purpose authorized by section 8111 of title 38, United States Code.

MEDICAL ADMINISTRATION

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of capital policy activities; uniforms or allowances therefor, as authorized by sections 5901–5902 of title 5, United States Code; and administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under chapter 17 of title 38, United States Code, and the Federal Medical Care Recovery Act (42 U.S.C. 2651 et seq.); $2,858,442,000, plus reimbursements, of which $250,000,000 shall be available until September 30, 2007.

MEDICAL FACILITIES

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities and other necessary facilities for the Veterans Health Administration; for administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department; for oversight, engineering and architectural activities not charged to project costs; for repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; for leases of facilities; and for laundry and food services, $3,297,669,000, plus reimbursements, of which $250,000,000 shall be available until September 30, 2007.

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by chapter 73 of title 38, United States Code, to remain available until September 30, 2007, $412,000,000, plus reimbursements, of which not less than $15,000,000 shall be used for Gulf War Illness research.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including administrative expenses in support of Department-Wide capital planning, management and policy activities, uniforms or allowances therefor; not to exceed $25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail, $1,410,520,000: Provided, That expenses for services and assistance authorized under paragraphs (1), (2), (5), and (11) of section 3104(a) of title 38, United States Code, that the Secretary of Veterans Affairs determines are necessary to enable entitled veterans: (1) to the maximum extent feasible, to become employable and to obtain and maintain suitable employment; or (2) to achieve maximum independence in daily living, shall be charged to this account: Provided further, That the Veterans Benefits Administration shall be funded at not less than $1,053,938,000: Provided further, That of the funds made available under this heading, not to exceed $70,000,000 shall be available for obligation until September 30, 2007: Provided further, That from the funds made available under this heading, the Veterans Benefits Administration may purchase up to two passenger motor vehicles for use in operations of that Administration in Manila, Philippines.

INFORMATION TECHNOLOGY SYSTEMS

For necessary expenses for information technology systems and telecommunications support, including developmental information systems and operational information systems; for the capital asset acquisition of information technology systems, including management and related contractual costs of said acquisitions, including contractual costs associated with operations authorized by chapter 3109 of title 5, United States Code, $1,213,820,000, to remain available until September 30, 2007: Provided, That none of these funds may be obligated until the Department of Veterans Affairs submits to the Committees on Appropriations of both Houses of Congress, and such Committees approve, a plan for expenditure that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget; (2) complies with the Department of Veterans Affairs enterprise architecture; (3) conforms with an established enterprise life cycle methodology; and (4) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government: Provided further, That within 30 days of enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Appropriations of both Houses of Congress a reprogramming base letter which provides, by project, the costs included in this appropriation.

NATIONAL CEMETERY ADMINISTRATION

For necessary expenses of the National Cemetery Administration for operations and maintenance, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of one passenger motor vehicle for use in cemeterial operations; and hire of passenger motor vehicles, $156,447,000: Provided, That of the funds made available under this heading, not to exceed $7,800,000 shall be available until September 30, 2007.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, $70,174,000, to remain available until September 30, 2007.

CONSTRUCTION, MAJOR PROJECTS

For constructing, altering, extending and improving any of the facilities including parking projects under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, including planning, architectural and engineering services, construction management services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is more than the amount set forth in section 8104(a)(3)(A) of title 38, United States Code, or where funds for a project were made available in a previous major project appropriation, $607,100,000, to remain available until expended, of which $532,010,000 shall be for Capital Asset Realignment for Enhanced Services (CARES) activities; and of which $2,500,000 shall be to make reimbursements as provided in section 13 of the Contract Disputes Act of 1978 (41 U.S.C. 612) for claims paid for contract disputes: Provided, That except for advance planning activities, including needs assessments which may or may not lead to capital investments, and other capital asset management related activities, such as portfolio development and management activities, and investment strategy studies funded through the advance planning fund and the planning and design activities funded through the design fund and CARES funds, including needs assessments which may or may not lead to capital investments, none of the funds appropriated under this heading shall be used for any project which has not been approved by the Congress in the budgetary process: Provided further, That funds provided in this appropriation for fiscal year 2006, for each approved project (except those for CARES activities referenced above) shall be obligated: (1) by the awarding of a construction documents contract by September 30, 2006; and (2) by the awarding of a construction contract by September 30, 2007: Provided further, That the Secretary of Veterans Affairs shall promptly report in writing to the Committees on Appropriations of both Houses of Congress any approved major construction project in which obligations are not incurred within the time limitations established above: Provided further, That none of the funds in this or any other Act may be used to reduce the mission, services or infrastructure, including land, of the 18 facilities on the Capital Asset Realignment for Enhanced Services (CARES) list requiring further study as specified by the Secretary of Veterans Affairs without prior approval of the Committees on Appropriations of both Houses of Congress.

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities including parking projects under the jurisdiction or for the use of the Department of Veterans Affairs, including planning and assessments of needs which may lead to capital investments, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, 8122, and 8162 of title 38, United States Code, where the estimated cost of a project is equal to or less than the amount set forth in section 8104(a)(3)(A) of title 38, United

States Code, $198,937,000, to remain available until expended, along with unobligated balances of previous ''Construction, minor projects'' appropriations which are hereby made available for any project where the estimated cost is equal to or less than the amount set forth in such section, of which $155,000,000 shall be for Capital Asset Realignment for Enhanced Services (CARES) activities: Provided, That funds in this account shall be available for: (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe; and (2) temporary measures necessary to prevent or to minimize further loss by such causes.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans as authorized by sections 8131–8137 of title 38, United States Code, $85,000,000, to remain available until expended.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

For grants to aid States in establishing, expanding, or improving State veterans cemeteries as authorized by section 2408 of title 38, United States Code, $32,000,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 201. Any appropriation for fiscal year 2006 for ''Compensation and pensions'', ''Readjustment benefits'', and ''Veterans insurance and indemnities'' may be transferred as necessary to any other of the mentioned appropriations: Provided, That before a transfer may take place, the Secretary of Veterans Affairs shall request from the Committees on Appropriations of both Houses of Congress the authority to make the transfer and an approval is issued, or absent a response, a period of 30 days has elapsed.

SEC. 202. Appropriations available in this title for salaries and expenses shall be available for services authorized by section 3109 of title 5, United States Code, hire of passenger motor vehicles; lease of a facility or land or both; and uniforms or allowances therefore, as authorized by sections 5901–5902 of title 5, United States Code.

SEC. 203. No appropriations in this title (except the appropriations for ''Construction, major projects'', and ''Construction, minor projects'') shall be available for the purchase of any site for or toward the construction of any new hospital or home.

SEC. 204. No appropriations in this title shall be available for hospitalization or examination of any persons (except beneficiaries entitled under the laws bestowing such benefits to veterans, and persons receiving such treatment under sections 7901–7904 of title 5, United States Code or the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)), unless reimbursement of cost is made to the ''Medical services'' account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. 205. Appropriations available in this title for ''Compensation and pensions'', ''Readjustment benefits'', and ''Veterans insurance and indemnities'' shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year 2005.

SEC. 206. Appropriations available in this title shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from sections 3328(a), 3334, and 3712(a) of title 31, United States Code, except that if such obligations are from trust fund accounts they shall be payable from ''Compensation and pensions''.

SEC. 207. Notwithstanding any other provision of law, during fiscal year 2006, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund (38 U.S.C. 1920), the Veterans' Special Life Insurance Fund (38 U.S.C. 1923), and the United States Government Life Insurance Fund (38 U.S.C. 1955), reimburse the ''General operating expenses'' account for the cost of administration of the insurance programs financed through those accounts: Provided, That reimbursement shall be made only from the surplus earnings accumulated in an insurance program in fiscal year 2006 that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: Provided further, That if the cost of administration of an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: Provided further, That the Secretary shall determine the cost of administration for fiscal year 2006 which is properly allocable to the provision of each insurance program and to the provision of any total disability income insurance included in such insurance program.

SEC. 208. The paragraph under the heading ''Franchise Fund'' in title I of Public Law 104–204 (31 U.S.C. 501 note) is amended—

(1) by striking ''franchise fund pilot, as authorized by section 403 of Public Law 103–356, to be available as provided in such section'' and inserting ''Department of Veterans Affairs franchise fund, to be available without fiscal year limitation''; and

(2) by striking the final proviso.

SEC. 209. Amounts deducted from enhanced-use lease proceeds to reimburse an account for expenses incurred by that account during a prior fiscal year for providing enhanced-use lease services, may be obligated during the fiscal year in which the proceeds are received.

SEC. 210. Funds available in this title or funds for salaries and other administrative expenses shall also be available to reimburse the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication for all services provided at rates which will recover actual costs but not exceed $29,758,000 for the Office of Resolution Management and $3,059,000 for the Office of Employment and Discrimination Complaint Adjudication: Provided, That payments may be made in advance for services to be furnished based on estimated costs: Provided further, That amounts received shall be credited to ''General operating expenses'' for use by the office that provided the service.

SEC. 211. No appropriations in this title shall be available to enter into any new lease of real property if the estimated annual rental is more than $300,000 unless the Secretary submits a report which the Committees on Appropriations of both Houses of Congress approve within 30 days following the date on which the report is received.

SEC. 212. No funds of the Department of Veterans Affairs shall be available for hospital care, nursing home care, or medical services provided to any person under chapter 17 of title 38, United States Code, for a non-service-connected disability described in section 1729(a)(2) of such title, unless that person has disclosed to the Secretary of Veterans Affairs, in such form as the Secretary may require, current, accurate third-party reimbursement information for purposes of section 1729 of such title: Provided, That the Secretary may recover, in the same manner as any other debt due the United States, the reasonable charges for such care or services from any person who does not make such disclosure as required: Provided further, That any amounts so recovered for care or services provided in a prior fiscal year may be obligated by the Secretary during the fiscal year in which amounts are received.

SEC. 213. Notwithstanding any other provision of law, at the discretion of the Secretary of Veterans Affairs, proceeds or revenues derived from enhanced-use leasing activities (including disposal) may be deposited into the ''Construction, major projects'' and ''Construction, minor projects'' accounts and be used for construction (including site acquisition and disposition), alterations and improvements of any medical facility under the jurisdiction or for the use of the Department of Veterans Affairs. Such sums as realized are in addition to the amount provided for in ''Construction, major projects'' and ''Construction, minor projects''.

SEC. 214. Amounts made available under ''Medical services'' are available—

(1) for furnishing recreational facilities, supplies, and equipment; and

(2) for funeral expenses, burial expenses, and other expenses incidental to funerals and burials for beneficiaries receiving care in the Department.

(INCLUDING TRANSFER OF FUNDS)

SEC. 215. That such sums as may be deposited to the Medical Care Collections Fund pursuant to section 1729A of title 38, United States Code, may be transferred to ''Medical services'', to remain available until expended for the purposes of this account.

(INCLUDING TRANSFER OF FUNDS)

SEC. 216. Amounts made available for fiscal year 2006 under the ''Medical services'', ''Medical administration'', and ''Medical facilities'' accounts may be transferred among the accounts to the extent necessary to implement the restructuring of the Veterans Health Administration accounts: Provided, That before a transfer may take place, the Secretary of Veterans Affairs shall request from the Committees on Appropriations of both Houses of Congress the authority to make the transfer and an approval is issued.

(INCLUDING TRANSFER OF FUNDS)

SEC. 217. Any appropriation for fiscal year 2006 for the Veterans Benefits Administration made available under the heading ''General operating expenses'' may be transferred to the ''Veterans Housing Benefit Program Fund Program Account'' for the purpose of providing funds for the nationwide property management contract if the administrative costs of such contract exceed $8,800,000 in the fiscal year.

SEC. 218. Notwithstanding any other provision of law, the Secretary of Veterans Affairs shall allow veterans eligible under existing Department of Veterans Affairs medical care requirements and who reside in Alaska to obtain medical care services from medical facilities supported by the Indian Health Service or tribal organizations. The Secretary shall: (1) limit the application of this provision to rural Alaskan veterans in areas where an existing Department of Veterans Affairs facility or Veterans Affairs-contracted service is unavailable; (2) require participating veterans and facilities to comply with all appropriate rules and regulations, as established by the Secretary; (3) require this provision to be consistent with Capital Asset Realignment for Enhanced Services activities; and (4) result in no additional cost to the Department of Veterans Affairs or the Indian Health Service.

(INCLUDING TRANSFER OF FUNDS)

SEC. 219. That such sums as may be deposited to the Department of Veterans Affairs Capital Asset Fund pursuant to section 8118 of title 38, United States Code, may be transferred to the ''Construction, major projects'' and ''Construction, minor projects'' accounts, to remain available until expended for the purposes of these accounts.

SEC. 220. None of the funds available to the Department of Veterans Affairs, in this Act or any other Act, may be used to replace the current system by which the Veterans Integrated Service Networks select and contract for diabetes monitoring supplies and equipment.

SEC. 221. None of the funds made available in this Act may be used to implement any policy

prohibiting the Directors of the Veterans Integrated Service Networks from conducting outreach or marketing to enroll new veterans within their respective Networks.

SEC. 222. The Secretary of Veterans Affairs shall submit to the Committees on Appropriations of both Houses of Congress a quarterly report on the financial status of the Veterans Health Administration.

SEC. 223. None of the funds made available in this Act or any other Act may be used—

(1) with respect to the 2,100 compensation cases identified in the Scope and Methodology description in VA Inspector General Report No. 05–00765–137 as having been reviewed by the Office of Inspector General—

(A) to retroactively revoke or reduce a veteran's disability compensation payments for post traumatic stress disorder based on a finding that the Department of Veterans Affairs failed to collect justifying documentation unless the award of compensation was the direct result of fraud by the applicant; or

(B) to prospectively revoke or reduce a veteran's disability compensation payments for post traumatic stress disorder, based on a finding that the Department of Veterans Affairs failed to collect justifying documentation, effective before the date on which the veteran's time to exhaust all available administrative and judicial appeals has expired or such administrative and judicial appeals are finally decided; or

(2) for the implementation of Recommendation 3 of VA Inspector General Report No. 05–00765–137 or any related review and investigation of post traumatic stress, individual unemployability, and schedular 100 percent ratings cases, until the Department of Veterans Affairs reports to the Committees on Appropriations of both Houses of Congress on its plans for implementing this recommendation, and outlines the staffing and funding requirements.

SEC. 224. CLINICAL TRAINING AND PROTOCOLS. (a) FINDINGS.—Congress finds that—

(1) the Iraq War Clinician Guide has tremendous value; and

(2) the Secretary of Defense and the National Center on Post Traumatic Stress Disorder should continue to work together to ensure that the mental health care needs of servicemembers and veterans are met.

(b) COLLABORATION.—The National Center on Post Traumatic Stress Disorder shall collaborate with the Secretary of Defense—

(1) to enhance the clinical skills of military clinicians through training, treatment protocols, web-based interventions, and the development of evidence-based interventions; and

(2) to promote pre-deployment resilience and post-deployment readjustment among servicemembers serving in Operation Iraqi Freedom and Operation Enduring Freedom.

(c) TRAINING.—The National Center on Post Traumatic Stress Disorder shall work with the Secretary of Defense to ensure that clinicians in the Department of Defense are provided with the training and protocols developed pursuant to subsection (b)(1).

(INCLUDING TRANSFER OF FUNDS)

SEC. 225. Amounts made available under the ''Medical administration'', ''Medical services'', ''Medical facilities'', ''General operating expenses'', ''National Cemetery Administration'' and ''Office of Inspector General'' accounts for fiscal year 2006, may be transferred to or from the ''Information technology systems'' account: Provided, That before a transfer may take place, the Secretary of Veterans Affairs shall request from the Committees on Appropriations of both Houses of Congress the authority to make the transfer and an approval is issued.

(INCLUDING TRANSFER OF FUNDS)

SEC. 226. For purposes of perfecting the funding sources of the Department of Veterans Affairs' new ''Information technology systems'' account, funds made available for fiscal year 2006 may be transferred from the ''General operating expenses'', ''National Cemetery Administration'', and ''Office of Inspector General'' accounts to the ''Medical administration'' account: Provided, That before a transfer may take place, the Secretary of Veterans Affairs shall request from the Committees on Appropriations of both Houses of Congress the authority to make the transfer and an approval is issued.

(INCLUDING TRANSFER OF FUNDS)

SEC. 227. Amounts made available for the ''Information technology systems'' account may be transferred between projects: Provided, That no project may be increased or decreased by more than $1,000,000 of cost prior to submitting a request to the Committees on Appropriations of both Houses of Congress the authority to make the transfer and an approval is issued, or absent a response, a period of 30 days has elapsed.

SEC. 228. The Department of Veterans Affairs shall conduct an information campaign in States with an average annual disability compensation payment of less than $7,300 (according to the report issued by the Department of Veterans Affairs Office of Inspector General on May 19, 2005), to inform all veterans receiving disability compensation, by direct mail, of the history of below average disability compensation payments to veterans in such States, and to provide all veterans in each such State, through broadcast or print advertising, with the aforementioned historical information and instructions for submitting new claims and requesting review of past disability claims and ratings.

SEC. 229. Of the funds available to the Department of Veterans Affairs in this Act or any other Act, no more than $50,000,000 shall be available for the HealtheVetVista project, for fiscal year 2006: Provided, That none of the funds made available for the HealtheVetVista project may be obligated until the Committees on Appropriations of both Houses of Congress approve a financial expenditure plan for the entire project.

SEC. 230. The authority provided by section 2011 of title 38, United States Code, shall continue in effect through September 30, 2006.

TITLE III

RELATED AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; not to exceed $7,500 for official reception and representation expenses; and insurance of official motor vehicles in foreign countries, when required by law of such countries, $36,250,000, to remain available until expended.

FOREIGN CURRENCY FLUCTUATIONS ACCOUNT

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, $15,250,000, to remain available until expended, for purposes authorized by section 2109 of title 36, United States Code.

UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

SALARIES AND EXPENSES

For necessary expenses for the operation of the United States Court of Appeals for Veterans Claims as authorized by sections 7251–7298 of title 38, United States Code, $18,795,000, of which $1,260,000 shall be available for the purpose of providing financial assistance as described, and in accordance with the process and reporting procedures set forth, under this heading in Public Law 102–229.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, including the purchase of two passenger motor vehicles for replacement only, and not to exceed $1,000 for official reception and representation expenses, $29,050,000, to remain available until expended. In addition, such sums as may be necessary for parking maintenance, repairs and replacement, to be derived from the Lease of Department of Defense Real Property for Defense Agencies account.

ARMED FORCES RETIREMENT HOME

For expenses necessary for the Armed Forces Retirement Home to operate and maintain the Armed Forces Retirement Home—Washington, District of Columbia and the Armed Forces Retirement Home—Gulfport, Mississippi, to be paid from funds available in the Armed Forces Retirement Home Trust Fund, $58,281,000, of which $1,248,000 shall remain available until expended for construction and renovation of the physical plants at the Armed Forces Retirement Home—Washington, District of Columbia and the Armed Forces Retirement Home—Gulfport, Mississippi.

TITLE IV

GENERAL PROVISIONS

SEC. 401. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 402. Such sums as may be necessary for fiscal year 2006 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 403. None of the funds made available in this Act may be used for any program, project, or activity, when it is made known to the Federal entity or official to which the funds are made available that the program, project, or activity is not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

SEC. 404. No part of any funds appropriated in this Act shall be used by an agency of the executive branch, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, and for the preparation, distribution or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before Congress, except in presentation to Congress itself.

SEC. 405. All departments and agencies funded under this Act are encouraged, within the limits of the existing statutory authorities and funding, to expand their use of ''E-Commerce'' technologies and procedures in the conduct of their business practices and public service activities.

SEC. 406. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriations Act.

SEC. 407. Unless stated otherwise, all reports and notifications required by this Act shall be submitted to the Subcommittee on Military Quality of Life and Veterans Affairs, and Related Agencies of the Committee on Appropriations of the House of Representatives and the Subcommittee on Military Construction and Veterans Affairs, and Related Agencies of the Committee on Appropriations of the Senate.

SEC. 408. (a) Section 613 of the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006, is amended by striking ''the United States-China Economic and Security Review Commission'', and inserting in lieu thereof ''a grant for the Trade Lawyers Advisory Group''.

(b) The amendment made by paragraph (1) shall take effect on the date of enactment of the Science, State, Justice, Commerce, and Related Agencies Appropriations Act, 2006.

This Act may be cited as the ''Military Construction, Military Quality of Life and Veterans Affairs Appropriations Act, 2006''.

And the Senate agree to the same.

That the Senate recede from its amendment to the title of the bill.

JAMES T. WALSH,
ROBERT B. ADERHOLT,
ANNE M. NORTHUP,
MICHAEL K. SIMPSON,
ANDER CRENSHAW,
C.W. BILL YOUNG,
MARK STEVEN KIRK,
DENNIS R. REHBERG,
JOHN CARTER,
JERRY LEWIS,
CHET EDWARDS,
SAM FARR,
ALLEN BOYD,
SANFORD D. BISHOP, JR.,
DAVID E. PRICE,
ROBERT E. CRAMER, JR.,
DAVID R. OBEY.
Managers on the Part of the House.

KAY BAILEY HUTCHISON,
CONRAD BURNS,
LARRY CRAIG,
MIKE DEWINE,
SAM BROWNBACK,
WAYNE ALLARD,
MITCH MCCONNELL,
THAD COCHRAN,
DIANNE FEINSTEIN,
DANIEL K. INOUYE,
TIM JOHNSON,
MARY L. LANDRIEU,
ROBERT C. BYRD,
PATTY MURRAY,
PATRICK LEAHY.
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 amendments of the Senate to the bill (H.R. 2528) making appropriations for military quality of life functions of the Department of Defense, military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2006, and for other purposes, submit the following joint statement to the House of Representatives 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 amended the House bill with two amendments. The Senate amendment to the text deleted the entire House bill after the enacting clause and inserted the Senate bill. The conference agreement includes a revised bill.

The Senate amended the title of the House bill. The conference agreement adopts the title of the bill as proposed by the House.

ITEMS OF GENERAL INTEREST

Matters Addressed by Only One Committee.—The language and allocations set forth in House Report 109–95 and Senate Report 109–105 should be complied with unless specifically addressed to the contrary in the conference report and statement of the managers. Report language included by the House, which is not changed by the report of the Senate or the conference, and Senate report language, which is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases where the House or the Senate have directed the submission of a report, such report is to be submitted to both Houses of Congress.

Timely Submissions of Military Construction Reprogramming Requests.—The conferees regret that submissions of military construction reprogramming requests to Congress are often delayed. Such delays are of particular concern when projects carry bid expiration deadlines, which can lead to increased costs when those deadlines are not met. Therefore, the conferees direct the Comptroller of the Department of Defense to ensure reprogramming requests are processed expeditiously to allow Congress sufficient time to consider and act upon such requests.

Impact of Natural Disasters on Military Construction Costs.—The conferees are aware that military construction costs have increased in the United States due to reduced contractor availability and increased competition, as well as increased prices for certain materials, as a result of recent natural disasters. The conferees are additionally concerned that damage and reconstruction requirements caused by these natural disasters will seriously exacerbate this problem. Therefore, the conferees direct the Department of Defense to account for the potential increased cost to military construction projects in the fiscal year 2007 budget request. Further, the Assistant Secretary of each military department with responsibility for installations and the head of each Defense agency should certify that such costs have been taken into account upon the submission of the Administration's fiscal year 2007 military construction budget request.

Revisions to CENTCOM Master Plan.—The conferees have rescinded funds for the repair of an airfield at Karshi-Khanabad Air Base, Uzbekistan, because access to that base is no longer available to the United States. The conferees understand that revisions to the Central Command (CENTCOM) master plan, submitted to Congress in 2005, have already been made for Iraq, and the conferees believe that the loss of access rights in Uzbekistan will require further revisions to the plan. The conferees emphasize that it is the duty of CENTCOM to keep the congressional defense committees apprised of any changes to this plan and direct CENTCOM to report to the Committees on Appropriations of both Houses of Congress on changes made since its original submission no later than January 31, 2006.

Submission of Defense-Wide Military Construction Future Years Defense Plan.—The conferees clarify that Military Construction, Defense-Wide is not exempt from the Future Years Defense Program (FYDP) submission requirements of 10 U.S.C. 221. The conferees direct the Department of Defense to submit the FYDP for the Defense-Wide military construction budget with the fiscal year 2007 request.

Military Construction and Global Rebasing.—The conferees are aware that the Army spent approximately $71,400,000 of fiscal year 2005 operation and maintenance funds on the renovation of 14 ''rolling-pin'' barracks at Fort Carson, Colorado, to accommodate soldiers of the 2nd Brigade, 2nd Infantry Division, which was restationed from Korea as part of the Department of Defense's Integrated Global Presence and Basing Strategy (IGPBS). The Army indicated that the expected life cycle of these renovated barracks is 15–20 years and asserted that, at a cost of approximately $41,000 per soldier, renovated barracks are more cost-efficient than new construction, at a cost of approximately $71,000 per soldier. The conferees note that given the Department of Defense's recapitalization goal of 67 years, the comparable cost of the renovated barracks is likely to be much higher. The Army, however, further indicated that the overriding factor was not cost efficiency, but expediency, which raises another concern of the conferees. Costs associated with IGPBS and the modularity initiative should not be funded solely through supplemental appropriations and reprogrammings, but rather should be considered through the regular authorization and appropriations process. The conferees therefore direct the Department of Defense to integrate IGPBS, and the Army's modularity initiative, with the regular military construction program beginning with its fiscal year 2007 budget submission.

TITLE I

DEPARTMENT OF DEFENSE

MILITARY CONSTRUCTION, ARMY

(INCLUDING RESCISSIONS)

The conference agreement appropriates $1,775,260,000 for Military Construction, Army, instead of $1,652,552,000 as proposed by the House and $1,640,641,000 as proposed by the Senate. Within this amount, the conference agreement provides $170,021,000 for study, planning, design, architect and engineer services, and host nation support instead of $168,804,000 as proposed by the House and $179,343,000 as proposed by the Senate. The agreement also includes $50,000,000 for force protection activities in Iraq as proposed by the House. The Senate bill contained no similar provision.

The conference agreement also rescinds $3,046,000 from Public Law 107–249 and $16,700,000 from Public Law 108–324. The conferees direct the Army to submit by March 31, 2006 a report describing how the rescissions of funds in this Act will be applied. This report shall list, by project, the amount of funds to be sourced to such rescissions.

The conference agreement does not include language proposed by the Senate to designate funding for two projects. The agreement addresses this language in the attached detail table by State. The House bill contained no similar provision.

Of the funds provided for planning and design in this account, the conferees direct that $90,000 be made available for the planning and design of the land purchase, Main Gate, Yakima Training Center, Washington.

Of the funds provided for minor construction in this account, the conferees direct that $1,100,000 be made available for the construction of a high explosive magazine at McAlester Army Ammunition Plant, Oklahoma.

Of the funds provided for minor construction in this account, the conferees direct that $1,500,000 be made available for the construction of the first phase of a tactical operations center on Kwajalein Atoll, instead of dome housing as proposed by the Senate. However, the conferees continue to expect the Secretary of Defense to submit a report to the Committees on Appropriations of both Houses of Congress no later than December 1, 2005, detailing the timeline for the replacement of substandard housing on Kwajalein Atoll.

MILITARY CONSTRUCTION, NAVY AND MARINE CORPS

(INCLUDING RESCISSIONS)

The conference agreement appropriates $1,157,141,000 for Military Construction, Navy and Marine Corps, instead of $1,109,177,000 as proposed by the House and $1,045,882,000 as proposed by the Senate. Within this amount, the conference agreement provides $34,893,000 for study, planning, design, architect and engineer services instead of $36,029,000 as proposed by the House and $32,524,000 as proposed by the Senate.

The conference agreement rescinds $5,767,000 from Public Law 108–132. The agreement also rescinds $44,270,000 from Public

Law 108–324, instead of $92,354,000 as proposed by the Senate. The House bill contained no similar provision. The conferees direct the Navy to submit by March 31, 2006 a report describing how the rescissions of funds in this Act will be applied. This report shall list, by project, the amount of funds to be sourced to such rescissions.

North Island, California—Bachelor Enlisted Quarters, Homeport Ashore.—The conferees are very supportive of the Homeport Ashore program to provide unaccompanied housing for enlisted sailors when in port, and encourage the Navy to pursue this initiative as part of the bachelor enlisted quarters (BEQ) privatization pilot program. Although the conferees commend the Navy for seeking innovative solutions, including privatization, to expedite the construction of new BEQ units, they also note that the authorization, as contained in the fiscal year 2003 Defense Authorization Act, limits the Navy to three pilot projects. The North Island proposal is not among the projects earlier identified by the Navy as part of the pilot program, and is therefore not authorized under current law. Although the conferees have denied funding for the North Island project for this reason, they urge the Navy to proceed as expeditiously as possible with the projects currently authorized under the BEQ privatization pilot program so that Congress has a basis on which to evaluate the potential for expansion of the program in future years.

MILITARY CONSTRUCTION, AIR FORCE

(INCLUDING RESCISSIONS)

The conference agreement appropriates $1,288,530,000 for Military Construction, Air Force, instead of $1,171,338,000 as proposed by the House and $1,209,128,000 as proposed by the Senate. Within this amount, the conference agreement provides $95,537,000 for study, planning, design, architect and engineer services instead of $91,733,000 as proposed by the House and $83,626,000 as proposed by the Senate.

The conference agreement rescinds $13,000,000 from Public Law 108–11, $6,600,000 from Public Law 108–132, and $9,500,000 from Public Law 108–324. The agreement also rescinds $46,500,000 from Public Law 109–13 for the runway repair project, including associated planning and design, at Karshi-Khanabad Air Base, Uzbekistan. The conferees direct the Air Force to submit by March 31, 2006 a report describing how the rescissions of funds in this Act will be applied. This report shall list, by project, the amount of funds to be sourced to such rescissions.

The conference agreement does not include language proposed by the Senate to designate funding for two projects. The agreement addresses this language in the attached detail table by State. The House bill contained no similar provision.

MILITARY CONSTRUCTION, DEFENSE-WIDE

(INCLUDING RESCISSION AND TRANSFER OF FUNDS)

The conference agreement appropriates $1,008,855,000 for Military Construction, Defense-Wide, instead of $976,664,000 as proposed by the House and $1,072,165,000 as proposed by the Senate. Within this amount, the conference agreement provides $136,406,000 for study, planning, design, architect and engineer services instead of $107,285,000 as proposed by the House and $133,120,000 as proposed by the Senate.

The conference agreement also rescinds $20,000,000 from Public Law 108–324 due to unobligated balances in contingency construction.

The conference agreement provides $50,000,000 for the Energy Conservation Improvement Program as proposed by the House, instead of $60,000,000 as proposed by the Senate. The agreement does not provide funding for contingency construction due to the recurrence of carryover amounts.

The conferees direct the National Security Agency to follow standard acquisition and design-review procedures on its fiscal year 2006 projects.

MILITARY CONSTRUCTION, ARMY NATIONAL GUARD

The conference agreement appropriates $523,151,000 for Military Construction, Army National Guard, instead of $410,624,000 as proposed by the House and $467,146,000 as proposed by the Senate.

Of the funds provided for planning and design in this account, the conferees direct that $186,000 be made available for the planning and design of the Combined Support Maintenance Shop, Searcy, Arkansas.

Of the funds provided for minor construction in this account, the conferees direct the specified amounts be made available for the construction of the following facilities: Marana, Arizona—Fire Station, $1,499,000; Camp Murray, Washington—Homeland Security Multi-Functional Education Center, $1,424,000.

MILITARY CONSTRUCTION, AIR NATIONAL GUARD

(INCLUDING RESCISSION)

The conference agreement appropriates $316,117,000 for Military Construction, Air National Guard, instead of $225,727,000 as proposed by the House and $279,156,000 as proposed by the Senate. The conference agreement also rescinds $13,700,000 from Public Law 108–324. The conferees direct the Air National Guard to submit by March 31, 2006 a report describing how the rescission of funds in this Act will be applied. This report shall list, by project, the amount of funds to be sourced to such rescission.

Of the funds provided for planning and design in this account, the conferees direct that the specified amounts be made available for the planning and design of the following facilities: New Castle County Airport, Delaware—Replacement C–130 Maintenance Hangar, $1,440,000; Duluth IAP, Minnesota—Addition to Joint FAA/ANG Fire Station Facility, Phase 2, $700,000; March ARB, California—Replace Aircraft Maintenance Hangar and Shops, $960,000; Fresno Yosemite IAP, California—Replace Vehicle Maintenance Complex, $340,000.

Of the funds provided for minor construction in this account, the conferees direct that $1,500,000 be made available for the construction of an arm and disarm apron at the end of runway 13 at Atlantic City IAP, New Jersey.

MILITARY CONSTRUCTION, ARMY RESERVE

The conference agreement appropriates $152,569,000 for Military Construction, Army Reserve, instead of $138,425,000 as proposed by the House and $136,077,000 as proposed by the Senate.

MILITARY CONSTRUCTION, NAVAL RESERVE

(INCLUDING RESCISSIONS)

The conference agreement appropriates $46,864,000 for Military Construction, Naval Reserve, instead of $45,226,000 as proposed by the House and $46,676,000 as proposed by the Senate. The conference agreement also rescinds $5,368,000 from Public Law 108–132 and $11,192,000 from Public Law 108–324. The conferees direct the Naval Reserve to submit by March 31, 2006 a report describing how the rescissions of funds in this Act will be applied. This report shall list, by project, the amount of funds to be sourced to such rescissions.

MILITARY CONSTRUCTION, AIR FORCE RESERVE

(INCLUDING RESCISSION)

The conference agreement appropriates $105,883,000 for Military Construction, Air Force Reserve, instead of $110,847,000 as proposed by the House and $89,260,000 as proposed by the Senate. The conference agreement also rescinds $13,815,000 from Public Law 108–324. The conferees direct the Air Force Reserve to submit by March 31, 2006 a report describing how the rescission of funds in this Act will be applied. This report shall list, by project, the amount of funds to be sourced to such rescission.

Of the funds provided for planning and design in this account, the conferees direct that $207,000 be made available for the planning and design of the Addition/Alteration Aerial Port Facility, Homestead ARB, Florida.

NORTH ATLANTIC TREATY ORGANIZATION SECURITY INVESTMENT PROGRAM

(INCLUDING RESCISSION)

The conference agreement appropriates $206,858,000 for the North Atlantic Treaty Organization Security Investment Program as proposed by both the House and the Senate. The conference agreement also includes a rescission of $30,000,000 from Public Law 108–324 due to the slow spendout rate of the program and the recurrence of carryover amounts.

FAMILY HOUSING OVERVIEW

Family Housing Reprogramming Requests.—The conferees note the language contained in House Report 109–95 regarding the applicability of reprogramming guidelines to family housing projects. The conferees feel strongly that these guidelines should continue to apply to family housing projects, including privatization projects, to enable adequate congressional oversight.

FAMILY HOUSING CONSTRUCTION, ARMY

(INCLUDING RESCISSION)

The conference agreement appropriates $549,636,000 for Family Housing Construction, Army as proposed by both the House and the Senate. The conference agreement also rescinds $16,000,000 from Public Law 108–324. The conferees direct the Army to submit by March 31, 2006 a report describing how the rescission of funds in this Act will be applied. This report shall list, by project, the amount of funds to be sourced to such rescission.

FAMILY HOUSING OPERATION AND MAINTENANCE, ARMY

The conference agreement appropriates $803,993,000 for Family Housing Operation and Maintenance, Army as proposed by the House, instead of $812,993,000 as proposed by the Senate.

FAMILY HOUSING CONSTRUCTION, NAVY AND MARINE CORPS

The conference agreement appropriates $218,942,000 for Family Housing Construction, Navy and Marine Corps as proposed by both the House and the Senate.

FAMILY HOUSING OPERATION AND MAINTENANCE, NAVY AND MARINE CORPS

The conference agreement appropriates $588,660,000 for Family Housing Operation and Maintenance, Navy and Marine Corps as proposed by the House, instead of $593,660,000 as proposed by the Senate.

FAMILY HOUSING CONSTRUCTION, AIR FORCE

(INCLUDING RESCISSIONS)

The conference agreement appropriates $1,101,887,000 for Family Housing Construction, Air Force, instead of $1,236,220,000 as proposed by the House and $1,142,622,000 as proposed by the Senate. The conference agreement also rescinds $7,700,000 from Public Law 107–249, $4,500,000 from Public Law 108–132, and $31,700,000 from Public Law 108–324. The conferees direct the Air Force to submit by March 31, 2006 a report describing how the rescissions of funds in this Act will be applied. This report shall list, by project,

the amount of funds to be sourced to such rescissions.

Adjustments to Air Force Family Housing Program.—The conferees note the progress made in the Air Force family housing privatization program, allowing the 2006 construction program to be adjusted without adversely affecting Air Force families. The privatization program leverages private sector capital and expertise to build superior family housing at less direct cost to the Federal government. Progress in the privatization program has resulted in unanticipated savings most recently on projects at four installations: Peterson AFB, Colorado; the United States Air Force Academy, Colorado; Bolling AFB, District of Columbia; and F.E. Warren AFB, Wyoming. The conferees note that privatization at these four installations will now allow for the construction or renovation of 3,156 homes, a 33 percent increase over the 2,371 units originally proposed in the budget request.

Spangdahlem Air Base, Germany.—The conferees note the current need for housing at Spangdahlem Air Base, Germany, and have provided funding for such purpose. The conferees urge the Air Force to consider all options to address the housing need at Spangdahlem Air Base. Specifically, build-to-lease housing has the potential to provide quality housing quickly to the families at Spangdahlem, while also providing a more cost-effective and flexible option to the United States. The conferees direct the Secretary of the Air Force to report on the housing plan at Spangdahlem.

The report must include the following:

Footprint requirements for family housing relative to land on hand at Spangdahlem and land purchase, if any, required.

A complete cost-benefit analysis of all available housing options at Spangdahlem, including build-to-lease. The analysis should include, but not be limited to, the cost per housing unit of each option and evidence of efforts made to lower such cost.

A certification that all options have been pursued with the German government, including, but not limited to, cost-sharing, road repair between housing units, and loan guarantees.

As provided in the administrative provisions of this title, none of the funds appropriated for family housing at Spangdahlem may be obligated until the Secretary of the Air Force certifies to the Committees on Appropriations of both Houses of Congress that the above-mentioned report has been completed and received the Committees' response, or a period of 30 days has elapsed after receipt of the report.

FAMILY HOUSING OPERATION AND MAINTENANCE, AIR FORCE

The conference agreement appropriates $766,939,000 for Family Housing Operation and Maintenance, Air Force as proposed by the Senate, instead of $755,319,000 as proposed by the House.

FAMILY HOUSING CONSTRUCTION, DEFENSE-WIDE

The conference agreement does not appropriate funding for Family Housing Construction, Defense-Wide. The Administration's budget request did not propose funding for this account in fiscal year 2006.

FAMILY HOUSING OPERATION AND MAINTENANCE, DEFENSE-WIDE

The conference agreement appropriates $46,391,000 for Family Housing Operation and Maintenance, Defense-Wide as proposed by both the House and the Senate.

DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND

The conference agreement appropriates $2,500,000 for the Department of Defense Family Housing Improvement Fund as proposed by both the House and the Senate.

CHEMICAL DEMILITARIZATION CONSTRUCTION, DEFENSE-WIDE

The conference agreement does not appropriate funding for Chemical Demilitarization Construction, Defense-Wide. The purpose of this account is to provide funds for the design and construction of full-scale chemical disposal facilities and associated projects to upgrade installation support facilities and infrastructure required to support the chemical demilitarization program.

Because the Department of Defense requested no funding for this account for fiscal year 2006, the conferees have not provided funding. However, the conferees remain mindful that obligations exist to complete construction associated with the Department's chemical demilitarization program, including the Assembled Chemical Weapons Alternatives (ACWA) program. The chemical demilitarization construction account within the Military Construction title of the relevant House and Senate appropriations bills is the appropriate account for funding construction associated with this program. The conferees expect the Department of Defense to include any requests for chemical demilitarization construction funding in future years, including for ACWA, to be included in the Chemical Demilitarization Construction, Defense-Wide account.

BASE REALIGNMENT AND CLOSURE OVERVIEW

Past Years Military Construction Impacted by BRAC.—The conferees note that some projects appropriated in this Act or in previous Acts making appropriations for military construction may be rendered unnecessary as a result of the 2005 base realignment and closure recommendations, which became effective on November 9, 2005. The conference agreement rescinds funds due to anticipated savings as a result. In the event that additional savings are realized, the conferees remind the Department that excess funds may not be reprogrammed except in accordance with the guidelines set forth by the Committees on Appropriations of both Houses of Congress. Further, the conferees have provided a single appropriation for the implementation of BRAC 2005, as requested by the Department, in order to ensure the Department has maximum flexibility to carry out this effort. All expenses resulting from the 2005 base realignment and closure recommendations should be paid from this account. The conferees have also included a statutory reporting requirement to maintain appropriate fiscal oversight.

BRAC Environmental Remediation.—The conferees note the language included in the Senate report regarding the use of Office of Economic Adjustment (OEA) funding, which is appropriated through the Department of Defense Appropriations Act, for the community share of certain environmental remediation activities at the former McClellan Air Force Base, California. The conferees support this language and further emphasize that OEA funds are to be used in all instances for the purpose for which they were appropriated and not used to supplant BRAC environmental remediation funding at any Department of Defense installation.

DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 1990

The conference agreement appropriates $254,827,000 for the Department of Defense Base Closure Account 1990, instead of $377,827,000 as proposed by the House and $402,827,000 as proposed by the Senate. This amount fully funds the Administration's request for environmental cleanup and other activities associated with past BRAC rounds of all the Services with the exception of the Navy, which will self-finance its program. Included in the funding is an additional $14,000,000 for the Army and $6,000,000 for the Air Force above the Administration's request. The purpose of this additional funding is to expedite cleanup activities in fiscal year 2006 that the Services have identified as candidates for acceleration.

The conferees note that the Navy has collected approximately $650,000,000 from the recent sale of property at the former El Toro, California, Marine Corps Air Station. By law, proceeds from the sale of property closed under the Defense Base Closure and Realignment Act of 1990 must be deposited into the 1990 Department of Defense Base Closure (BRAC) account to be used for BRAC related activities, including environmental cleanup. By agreement between the military Services and the Office of the Secretary of Defense, BRAC land sale revenues are credited to the military Service owner of the property that was sold and are used to offset BRAC costs by that Service. Based on this agreement and the Navy's recent land sale revenues, the Navy no longer requires the $143,000,000 in fiscal year 2006 appropriated funds as requested in the President's budget submission for activities funded through the BRAC 1990 account.

Environmental remediation associated with the BRAC process remains a key concern of the conferees. The conferees commend the Navy for its efforts to maximize revenue from the disposal of property from installations closed under previous BRAC rounds and for its application of those revenues to the environmental cleanup of closed Navy facilities. The conferees further encourage the Department of Defense and the other Services to pursue similar land sale strategies to provide additional revenue for the cleanup of their installations. To ensure that Navy land sale revenues are used to expedite environmental remediation activities at Navy installations, the conferees have included a provision in the conference report directing that no less than $300,000,000 of the revenues deposited into the BRAC 1990 account from the sale of Navy property be used to execute the Navy's fiscal year 2006 environmental cleanup program. This level of funding is $24,000,000 above the original budget estimate, including both appropriated funds and earlier projected land sale revenues.

DEPARTMENT OF DEFENSE BASE CLOSURE ACCOUNT 2005

The conference agreement appropriates $1,504,466,000 for the Department of Defense Base Closure Account 2005, instead of $1,570,466,000 as proposed by the House and $1,479,466,000 as proposed by the Senate. The agreement includes language proposed by the Senate to prohibit the use of these funds until the Secretary of Defense submits and receives approval of a report describing the specific use of these funds. The House bill contained no similar provision.

ADMINISTRATIVE PROVISIONS
(INCLUDING TRANSFERS OF FUNDS)

The conference agreement includes section 101 to limit the use of funds under a cost-plus-a-fixed-fee contract as proposed by both Houses of Congress.

The conference agreement includes section 102 as proposed by the House to allow the use of construction funds in this title for hire of passenger motor vehicles. The Senate bill contained a similar provision, but allowed the use of all funds in the title for such purpose.

The conference agreement includes section 103 as proposed by the House to allow the use of construction funds in this title for advances to the Federal Highway Administration for the construction of access roads. The

Senate bill contained a similar provision, but allowed the use of all funds in the title for such purpose.

The conference agreement includes section 104 to prohibit construction of new bases in the United States without a specific appropriation as proposed by both Houses of Congress.

The conference agreement includes section 105 to limit the use of funds for the purchase of land or land easements that exceed 100 percent of the value as proposed by both Houses of Congress.

The conference agreement includes section 106 to prohibit the use of funds, except funds appropriated in this title for that purpose, for family housing as proposed by both Houses of Congress.

The conference agreement includes section 107 to limit the use of minor construction funds to transfer or relocate activities as proposed by both Houses of Congress.

The conference agreement includes section 108 to prohibit the procurement of steel unless American producers, fabricators, and manufacturers have been allowed to compete as proposed by both Houses of Congress.

The conference agreement includes section 109 as proposed by the House to prohibit the use of construction and family housing funds available to pay real property taxes in any foreign nation. The Senate bill contained a similar provision, but prohibited the use of all funds in the title for such purpose.

The conference agreement includes section 110 to prohibit the use of funds to initiate a new installation overseas without prior notification as proposed by both Houses of Congress.

The conference agreement includes section 111 to establish a preference for American architectural and engineering services for overseas projects as proposed by both Houses of Congress.

The conference agreement includes section 112 to establish a preference for American contractors in certain locations as proposed by both Houses of Congress.

The conference agreement includes section 113 to require congressional notification of military exercises where construction costs exceed $100,000 as proposed by both Houses of Congress.

The conference agreement includes section 114 to limit obligations in the last two months of the fiscal year as proposed by both Houses of Congress.

The conference agreement includes section 115 to allow funds appropriated in prior years for new projects authorized during the current session of Congress as proposed by both Houses of Congress.

The conference agreement includes section 116 to allow the use of lapsed or expired funds to pay the cost of supervision for any project being completed with lapsed funds as proposed by both Houses of Congress.

The conference agreement includes section 117 to allow military construction funds to be available for five years as proposed by both Houses of Congress.

The conference agreement includes section 118 to require an annual report on actions taken to encourage other nations to assume a greater share of the common defense burden as proposed by both Houses of Congress.

The conference agreement includes section 119 to allow the transfer of proceeds between BRAC accounts as proposed by both Houses of Congress.

The conference agreement includes section 120 to allow the transfer of funds from Family Housing Construction accounts to the Family Housing Improvement Fund as proposed by both Houses of Congress.

The conference agreement includes section 121 to limit the obligation of funds for Partnership for Peace programs as proposed by both Houses of Congress.

The conference agreement includes section 122 to require congressional notification prior to issuing a solicitation for a contract with the private sector for family housing as proposed by both Houses of Congress.

The conference agreement includes section 123 to allow transfers to the Homeowners Assistance Fund as proposed by both Houses of Congress.

The conference agreement includes section 124 to limit the source of operation and maintenance funds for flag and general officer quarters as proposed by both Houses of Congress.

The conference agreement includes section 125 to prohibit the use of NATO Security Investment Program funds for missile defense studies as proposed by both Houses of Congress.

The conference agreement includes section 126 as proposed by the House to require the Department of Defense to respond to a question or inquiry, in writing, within 21 days of the request. The Senate bill contained no similar provision.

The conference agreement includes section 127 to extend the availability of funds in the Ford Island Improvement Fund as proposed by both Houses of Congress.

The conference agreement includes a modified section 128 to place limitations on the expenditure of funds for projects impacted by BRAC 2005.

The conference agreement includes a new section 129 to designate $300,000,000 of the funds available in the Department of Defense Base Closure Account 1990 for the Department of Navy and require a report on a plan for the use of the funds.

The conference agreement includes a new section 130 to require a report from the Secretary of the Air Force containing a housing plan for Spangdahlem Air Base, Germany.

The conference agreement does not include a provision proposed by the House to allow the transfer of expired funds to the Foreign Currency Fluctuation, Construction, Defense account. The Senate bill contained no similar provision.

The conference agreement does not include a provision proposed by the House to prohibit the use of funds in this title for maintenance and repair of general and flag officer quarters in the National Capital Region until the Department submits a report as required in Public Law 108–375. The Senate bill contained no similar provision.

The conference agreement does not include a provision proposed by the Senate to provide planning and design funds for a project. The agreement addresses this language under the Military Construction, Air National Guard account. The House bill contained no similar provision.

The conference agreement does not include a provision proposed by the Senate to provide funding for a project. The agreement addresses this language in the attached detail table by State. The House bill contained no similar provision.

The conference agreement does not include a provision proposed by the Senate regarding funding for the Department of Defense Base Closure Accounts. The House bill contained no similar provision.

TITLE II—DEPARTMENT OF VETERANS AFFAIRS

Centers of Excellence.—The conferees feel the Department of Veterans Affairs should consider designating specialized medical treatment facilities for mental health and post traumatic stress disorder as ''Centers of Excellence''. Establishing these centers would allow the VA to consolidate personnel, training and specialized resources. This will ensure the VA utilizes these resources in the most efficient manner, while providing better service to our Nation's veterans. The conferees are concerned that mental health care is one of the most critical needs of our Nation's veterans, particularly those veterans returning from Operations Iraqi Freedom and Enduring Freedom.

Therefore, the conferees direct the Department of Veterans Affairs to place more emphasis on psychiatric care of our veterans by designating three centers of excellence to focus on mental health/PTSD needs. These three centers will be established at Waco VAMC, Texas; San Diego VAMC, California; and the Canandaigua VAMC, New York.

The VA should submit a report within six months of enactment of this Act to the Committees on Appropriations in both Houses of Congress outlining the progress made in this area.

Housing for Low-Income Veterans.—The conferees agree that the Government Accountability Office shall conduct a study on housing assistance to low-income veterans and submit the report to the Congress within six months of enactment of this Act. As jurisdiction over assistance to veterans spans many departments, the conferees expect the Government Accountability Office to consult with the Committees on Appropriations of both Houses of Congress concerning the scope of such a study. This issue was addressed by the Senate as an administrative provision, section 222.

Veterans Benefits Handbooks.—The conferees recognize the valuable information contained in the Department's annual publication ''Federal Benefits for Veterans and Dependents.'' Adequate distribution of this publication is essential to keep veterans informed of the benefits to which they are entitled. The conferees urge the Secretary to work in coordination with the various veterans services organizations, including the National Association of County Veterans Service Officers, as well as with State departments of veterans affairs, to ensure that a comprehensive plan exists to distribute an adequate supply of the 2006 and future editions of ''Federal Benefits for Veterans and Dependents.'' This issue was addressed by the Senate as section 223 of the administrative provisions which the conferees have deleted from the bill.

Post Traumatic Stress Disorder.—The conferees agree with the House direction under the ''Items of Interest'' regarding Post Traumatic Stress Disorder Clinical Teams.

Changing Veterans Population.—The conferees agree with the direction of the Senate responding to the changing population of veterans.

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $33,897,787,000 for Compensation and Pensions, instead of $33,412,879,000 as proposed by both the House and the Senate. The amount provided reflects the most current estimate of funding required for this mandatory account and reflects a 4.1 percent cost-of-living adjustment. Of the amount provided, not more than $23,491,000 is to be transferred to General Operating Expenses and Medical Services for reimbursement of necessary expenses in implementing the Omnibus Budget Reconciliation Act of 1990 and the Veterans' Benefits Act of 1992.

Annual Benefits Report.—The conferees agree with the Senate language directing the Department to continue production of the annual benefits report which shall include select veteran data for all benefit programs by State.

READJUSTMENT BENEFITS

The conference agreement appropriates $3,309,234,000 for Readjustment Benefits, instead of $3,214,246,000 as proposed by both the

House and the Senate. The amount provided reflects the most current estimate of funding required for this mandatory account.

Task Force on VRE Benefits.—The conferees direct the Department to report to the Committees on Appropriations of both Houses of Congress by March 16, 2006 on its efforts to implement the recommendations of the Task Force on the Vocational Rehabilitation and Employment benefits program.

VETERANS INSURANCE AND INDEMNITIES

The conference agreement appropriates $45,907,000 for Veterans Insurance and Indemnities as proposed by both the House and the Senate.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates such sums as may be necessary for costs associated with direct and guaranteed loans from the Veterans Housing Benefit Program Fund Program Account as proposed by both the House and the Senate. The agreement limits obligations for direct loans to not more than $500,000 and provides that $153,575,000 is to be transferred to and merged with General Operating Expenses.

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $53,000 for the costs of direct loans from the Vocational Rehabilitation Loans Program Account as proposed by both the House and the Senate, plus $305,000 to be transferred to and merged with General Operating Expenses. The agreement provides for a direct loan limitation of $4,242,000.

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $580,000 for administrative expenses of the Native American Veteran Housing Loan Program Account to be transferred to and merged with General Operating Expenses as proposed by both the House and the Senate. The agreement also provides for a loan limitation of $30,000,000 for the program as proposed by both the House and the Senate.

GUARANTEED TRANSITIONAL HOUSING LOANS FOR HOMELESS VETERANS PROGRAM ACCOUNT

The conference agreement provides up to $750,000 of the funds available in Medical Administration and General Operating Expenses to carry out the Guaranteed Transitional Housing Loans for Homeless Veterans program as proposed by both the House and the Senate.

VETERANS HEALTH ADMINISTRATION

MEDICAL SERVICES

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $22,547,141,000 to finance Medical Services for all veterans and beneficiaries in Department of Veterans Administration facilities, State nursing homes, and contract medical facilities, of which $1,225,000,000 is designated an emergency. The House had proposed $20,995,141,000 and the Senate had proposed $23,308,011,000, of which $1,977,000,000 was designated as emergency funding.

Of the amount provided, $1,100,000,000 is available for obligation until September 30, 2007 as proposed by the House, instead of $1,500,000,000 as proposed by the Senate. The conferees also agree that the Department shall spend not less than $2,200,000,000 for specialty mental health care as proposed by the House.

The conference agreement includes a net increase of $1,100,000,000 to the original budget request to reverse policy proposals contained in the budget. These proposals included a priority system of care relating to veterans needing long-term or nursing home care, a proposal to institute an enrollment fee for certain veterans, and a change in the co-pay amount for prescription drugs. The conferees reject all of these proposals and direct the Department to maintain policies in existence prior to submission of the budget. It is the agreement of the conferees that the budget savings anticipated from such policy proposals in the future should not be included in the budget unless the proposals are enacted and savings are realized. For the last four years, there has been a proposal for an enrollment fee and an increase in pharmacy co-payments included in the budget with unrealistic savings. Every year the Congress has had to find resources to make up for savings projections which do not materialize.

In addition, the conference agreement includes funding of $1,452,000,000 tied to various corrections of errors in the original budget submission and adjustments for workload due to corrections of the Department's actuarial model. The conferees have made some funding adjustments to accommodate this increased need for funding, and language is included which requires submission of a revised budget amendment by the President to enable the use of emergency funding for the remaining funds.

The conference agreement retains language proposed by both the House and the Senate providing the Secretary with the authority to establish a priority system for veterans seeking medical care, allowing the Secretary to give priority to medical services for priority 1–6 veterans, allowing the Secretary to fill privately written prescriptions by Department of Veterans Affairs facilities, and provides $15,000,000 for the Department of Defense/Veterans Affairs Health Care Sharing Incentive Fund.

Long-Term Care.—The conferees do not agree with the proposal contained in the budget to alter the long-term care policies, including a policy of priority care in nursing homes. The conferees have provided, within this total appropriation, sufficient resources to maintain a policy of providing long-term care to all veterans, utilizing VA-owned facilities, community nursing homes, State nursing homes, and other non-institutional venues. The conferees expect there to be no change from the policy in existence prior to fiscal year 2005.

Prosthetics Research and Integrative Health Care.—The conferees note that the fiscal year 2005 conference agreement included language directing the Department to prioritize prosthetics in its research agenda and establish a new prosthetics and integrative health care initiative. The conferees are pleased with the response of the Department, including designating four VA Medical Centers as polytrauma centers which will provide medical care and rehabilitation to service members sustaining multiple conditions such as amputation, visual and auditory impairment, post traumatic stress, traumatic brain injury, and spinal cord injury. The conferees continue to be interested in progress being made in this area of integrative treatment and direct the Department to provide semi-annual updates on the status of this initiative.

MEDICAL ADMINISTRATION

The conference agreement appropriates $2,858,442,000 for Medical Administration as proposed by the Senate instead of $4,134,874,000 as proposed by the House. The conference funding level includes the movement of information technology development funding to a new Information Technology Systems account, as proposed by the Senate, under Departmental Administration. The agreement also includes language allowing $250,000,000 of the funds to be available until September 30, 2007.

Revenue Improvement Demonstration.—The conferees share the Senate concern that the Department of Veterans Affairs is only collecting 41 percent (unadjusted for Medicare impacts) of the billed amounts from third party insurance companies and expect the Department to report to both Houses of Congress on its efforts to improve this collection rate by January 1, 2006. Furthermore, the conference agreement does not support all the guidelines as specified in House Report 109–95; however, the conferees do support the following guidelines regarding a revenue improvement demonstration project: the recommendation that the VA initiate a new pilot program that will provide a comprehensive restructuring of the complete revenue cycle including cash-flow management and accounts receivable processes in certain VA hospitals; the recommendation that the VHA Chief Business Officer must have the concurrence of the VA Chief Information Officer on the business plan for this demonstration; and that the Department provide quarterly progress reports to the Committees on Appropriations in both Houses of Congress.

In selecting a site for this project, the conferees direct the Department to select one medical center in a Veterans Integrated Service Network (VISN) other than 10, which is the host site of a demonstration project authorized by Public Law 108–357. The Department must initiate this project within 60 days of the date of enactment of this Act. The conferees expect that no Department full-time equivalent employees associated with the demonstration project would be terminated during the term of the project, except for purposes of personnel action relating to employee misconduct or unsatisfactory performance, in accordance with existing labor management agreements and personnel authorities of titles 5 and 38, United States Code, as applicable.

Contract Care Coordination.—The conferees support expeditious action by the Department to implement care management strategies that have proven valuable in the broader public and private sectors. It is essential that care purchased for enrollees from private sector providers be secured in a cost effective manner, in a way that complements the larger Veterans Health Administration system of care, and preserves important agency interest, such as sustaining a partnership with university affiliates. In that interest, the VHA shall establish through competitive award by the end of calendar year 2006, at least three managed care demonstration programs designed to satisfy a set of health system objectives related to arranging and managing care. The conferees encourage the Department to formulate demonstration objectives in collaboration with industry and academia, and the Secretary will report objectives to the Committees on Appropriations of both Houses of Congress within 90 days of the enactment of this Act. Multiple competitive awards and designs may be employed that may incorporate a variety of forms of public-private participation. The demonstrations, in satisfying the objectives to be enumerated, must be established in at least three VISNs, be comprehensive in scope, and serve a substantial patient population.

Management Efficiencies.—The conferees share the concern of the Senate that estimated management efficiencies are not supported by adequate budget justification details. Therefore, in future budget submissions, the Department is directed to provide more detail on its justification for management efficiencies.

MEDICAL FACILITIES

The conference agreement appropriates $3,297,669,000 for operation, maintenance and security of Medical Facilities as proposed by both the House and the Senate. The agreement also includes language allowing $250,000,000 of the funds to be available until September 30, 2007.

Community Based Outpatient Clinics.—The conferees have received numerous requests for funding specific Community Based Outpatient Clinics (CBOCs) but have retained the practice of not earmarking funds for these facilities. However, the conferees are concerned that the commitments made as a result of the final recommendations of the Capital Asset Realignment for Enhanced Services Commission may not be kept due to a variety of reasons. The conferees direct the Department to report on the status of CBOC's in Bessemer, Alabama; Richmond County (Hamlet), North Carolina; Conroe, Texas; Athens, Tennessee; North Central Washington; Lynchburg, Virginia; and Charlottesville, Virginia, including the reasons for any delay associated with their establishment. In addition, the conferees urge the Department to re-evaluate the need for CBOC's in Capitola, California; Jackson County, Florida; Levittown (Bucks County), Pennsylvania; Sunbury (Northumberland County), Pennsylvania; Bellingham, Washington; and Gladstone, Michigan. The conferees direct the Department to complete this report no later than March 15, 2006 and submit it to the Committees on Appropriations of both Houses of Congress.

Community Based Outpatient Clinics in Rural Areas.—The conferees remain concerned about veterans' access to healthcare in rural areas. As such, the conferees direct the Secretary to reevaluate Veterans Health Administration Handbook 1006.1 and other guidance and procedures related to planning, activating, staffing, and maintaining Community Based Outpatient Clinics to ensure that rural areas are adequately served. In addition, the Secretary should also review the criteria utilized, including geographic access, number of Priority 1 through 6 veterans, market penetration, cost effectiveness and distance to parent facilities, to determine whether planning criteria disadvantage rural veterans. The Senate had addressed this issue as administrative provision 227.

Beckley, West Virginia.—The conferees agree with language included in the Senate report urging the Department to include sufficient funding in its fiscal year 2007 budget request for construction of a 120-bed nursing home care unit at the Beckley, West Virginia VAMC, consistent with the CARES priority list as described in the Department's February 2005 Five-Year Capital Plan 2005–2010 report.

MEDICAL AND PROSTHETIC RESEARCH

The conference agreement appropriates $412,000,000 for Medical and Prosthetic Research as proposed by the Senate instead of $393,000,000 as proposed by the House. The conferees agree with the Senate provision which designates $15,000,000 for Gulf War Illness research.

Mental Health Research.—The conferees agree that research on mental health diagnosis and treatment should be a priority of the Department of Veterans Affairs. The conferees believe that more research may lead to earlier identification of problems and more effective treatment, thereby reducing the long-term complications and costs associated with mental health issues. The conferees strongly suggest that the Department encourage research in this discipline by establishing a balanced and goal-based research program which takes into consideration the potential benefit of better treatment as well as reducing the cost of care provided by the Department.

Gulf War Illness.—The conferees recognize the unique nature of Gulf War Illness and direct the Department to implement the recommendations of the Research Advisory Committee (RAC) on Gulf War Veterans' Illness in the context of the overall Department research program. One aspect of this effort is the establishment of a research center of excellence devoted to Gulf War Illness research. The conferees are supportive of this effort and direct the Department to report to the Committees on Appropriations of both Houses of Congress regarding establishment of such a center by March 15, 2006. In complying with the RAC recommendations, the Department is directed to devote at least $15,000,000 to Gulf War Illness research in this fiscal year, and in each of the next four fiscal years. In addition, this initiative shall, at a minimum, begin with a pilot study involving collaborative research between a VA Medical Center and the University of Texas, Southwestern Medical Center, which is presently conducting extensive research on Gulf War Illness.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

The conference agreement appropriates $1,410,520,000 for General Operating Expenses instead of $1,411,827,000 as proposed by the House and $1,418,827,000 as proposed by the Senate. The conference agreement provides not less than $1,053,938,000 for the Veterans Benefits Administration, instead of $1,086,938,000 as proposed by the House and $1,093,937,500 as proposed by the Senate. Of the amount provided, $70,000,000 is available for obligation until September 30, 2007, as proposed by the House instead of $71,000,000 as proposed by the Senate.

The agreement also provides for a limitation on the purchase of passenger motor vehicles for use in operations by the Veterans Benefits Administration in Manila, Philippines, as proposed by the House. The Senate had proposed no limitation.

Senate language directing the Department to conduct an information campaign in States with lower disability compensation payments has been moved to administrative provisions, section 228.

The conferees do not agree to the Senate language calling for a report on the cost of replacing non-standardized home glucose monitoring equipment while maintaining existing equipment, depending upon patient choice. The report is not required since the conferees have adopted an administrative provision (section 220) prohibiting the Department from moving forward with a national standardization effort for home glucose monitoring equipment.

INFORMATION TECHNOLOGY SYSTEMS

The conference agreement appropriates $1,213,820,000 for Information Technology Systems as a new account instead of $1,456,821,000 as proposed by the Senate. The House had maintained information technology funding as part of existing accounts, including Medical Administration.

Senate language regarding the HealtheVet program has been moved to administrative provisions, section 229.

Based upon the funding provided, the Department is to provide a comprehensive listing of priority projects for fiscal year 2006 and submit it to the Committees on Appropriations of both Houses of Congress within 30 days of enactment of this Act.

The conferees note that on October 19, 2005, the Secretary of the Department of Veterans Affairs approved a federated information technology model for the Department. This model will require significant reorganization of the Department's information technology management and operations and will take a minimum of 12 months to accomplish. The conferees hope that the revised account structure approved in this appropriations Act and the management model approved by the Secretary will go far in improving the efficiency of the Department's information technology systems while giving the Congress better insight into these programs.

The conferees agree that in this first year of a major reorganization of information technology activities, funding will be available for a two-year period instead of one year. This will allow sufficient time for the Department to reorganize and execute its information technology projects in an effective manner.

The conferees agree that the Department is to provide the Committees on Appropriations of both Houses of Congress with quarterly reports on the status of each information technology project included in the budget. Each report shall include, but not be limited to, a milestone schedule for each project, each project's scheduled completion date, the amount appropriated for each project, planned and actual obligations of each project with explanations of the variance, and the unobligated balances of each project.

The conferees are in agreement that the amount provided for the CoreFLS project shall be limited to $30,000,000 in fiscal year 2006.

NATIONAL CEMETERY ADMINISTRATION

The conference agreement appropriates $156,447,000 for the National Cemetery Administration as proposed by both the House and the Senate. The conferees agree that the Department is to provide a report to the Committees on Appropriations of both Houses of Congress on the potential use of land at Fort Ord, California, for a national cemetery. The conferees direct the Secretary and the Undersecretary for Memorial Affairs to examine the unique situation at Fort Ord and report back to the Committees no later than January 16, 2006.

OFFICE OF INSPECTOR GENERAL

The conference agreement appropriates $70,174,000 for the Office of Inspector General as proposed by both the House and the Senate.

CONSTRUCTION, MAJOR PROJECTS

The conference agreement appropriates $607,100,000 for Construction, Major Projects as proposed by both the House and the Senate. Within the amount provided, $532,010,000 is for Capital Asset Realignment for Enhanced Services (CARES) projects as proposed by the House instead of $539,800,000 as proposed by the Senate. The agreement also provides $2,500,000 for reimbursement for contract disputes as proposed by the Senate, instead of $8,091,000 as proposed by the House. The conferees have included a modified provision, proposed by the Senate, which restricts the Department's ability to reduce the mission, services or infrastructure, including land, of 18 facilities on the CARES list requiring further study, without prior approval of the Committees on Appropriations of both Houses of Congress.

CARES Feasibility Studies.—The conferees are concerned with ongoing delays in the feasibility study for new veteran hospitals. The CARES decision recognized that these hospitals need to be replaced with new hospitals in order to provide veterans with the access and quality of care they need. The feasibility study delays are undermining the Secretary's decision and threaten to unnecessarily delay construction of these new hospitals. The Department is directed to work

with the contractor conducting the feasibility studies to ensure that they are completed and the Secretary has made a final decision, by June 1, 2006, on building these new hospitals. The Department will report to the Committees on Appropriations of both Houses of Congress within 30 days of enactment of this bill on the action it has taken to meet these requirements.

CONSTRUCTION, MINOR PROJECTS

The conference agreement appropriates $198,937,000 for Construction, Minor Projects instead of $208,937,000 as proposed by both the House and the Senate. The conference agreement provides $155,000,000 for construction projects implementing CARES recommendations, instead of $160,000,000 as proposed by both the House and the Senate. The agreement does not include a provision proposed by the Senate which would make additional funding available for CARES activities upon notification and approval by the Committees on Appropriations of both Houses of Congress.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

The conference agreement appropriates $85,000,000 for Grants for Construction of State Extended Care Facilities instead of $25,000,000 as proposed by the House and $104,322,000 as proposed by the Senate.

The conferees agree with the direction of the House calling for the Department to undertake a rigorous and extensive analysis of long-term care needs of veterans and report to the Committees on Appropriations of both Houses of Congress by March 31, 2006, on the results of that study. This study is to be done with all interested stakeholders participating.

The conferees do not agree with the Senate position restricting grants to any one state to one-third of the amount appropriated in any one fiscal year.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

The conference agreement appropriates $32,000,000 for Grants for the Construction of State Veterans Cemeteries, as proposed by both the House and the Senate.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFERS OF FUNDS)

The conference agreement includes section 201 allowing for transfers among various mandatory accounts as proposed by both the House and the Senate and includes a proviso requiring Congressional notification and approval as proposed by the Senate.

The conference agreement includes section 202 allowing for the use of salaries and expenses funds to be used for other authorized purposes as proposed by both the House and the Senate.

The conference agreement includes section 203 restricting the use of funds for the acquisition of land as proposed by the House.

The conference agreement includes section 204, as proposed by both the House and the Senate, limiting the use of funds in the Medical Services account to only entitled beneficiaries or unless reimbursement is made to the Department.

The conference agreement includes section 205 allowing for the use of certain mandatory appropriations accounts for payment of prior year accrued obligations for those accounts as proposed by both the House and the Senate.

The conference agreement includes section 206 allowing for the use of appropriations available in this title to pay prior year obligations as proposed by both the House and the Senate.

The conference agreement includes section 207, as proposed by both the House and the Senate, regarding administration of the National Service Life Insurance Fund, the Veterans' Special Life Insurance Fund, and the United States Government Life Insurance Fund.

The conference agreement includes section 208 making the Department's Franchise Fund authority permanent. The House had proposed a one-year extension and the Senate had proposed permanent authority with different language.

The conference agreement includes section 209, as proposed by both the House and the Senate, allowing for the proceeds from enhanced-use leases to be obligated in the year in which the proceeds are received.

The conference agreement includes section 210, as proposed by both the House and the Senate, allowing for the use of funds in this title for salaries and other administrative expenses to be used to reimburse the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication.

The conference agreement includes section 211 limiting the use of funds for any lease with an estimated annual rental of more than $300,000 unless approved by the Committees on Appropriations of both Houses of Congress, as proposed by both the House and the Senate.

The conference agreement includes section 212 requiring the Secretary of the Department of Veterans Affairs to collect third-party payer information for persons treated for non-service connected disability, as proposed by both the House and the Senate.

The conference agreement includes section 213, as proposed by both the House and the Senate, allowing for the use of enhanced-use leasing revenue for Construction, Major Projects and Construction, Minor Projects.

The conference agreement includes section 214 allowing for the use of Medical Services funds to be used for recreational facilities and funeral expenses as proposed by both the House and the Senate.

The conference agreement includes section 215 allowing for funds deposited into the Medical Care Collections Fund to be transferred to the Medical Services account, as proposed by both the House and the Senate.

The conference agreement includes section 216 allowing for the transfer of funds among three medical accounts for the purpose of perfecting the restructuring of the Veterans Health Administration accounts. Such transfers are subject to prior Congressional approval. Both the House and the Senate had proposed similar transfer provisions with slightly different language. The conferees would like to emphasize that the transfers permitted by this provision are to be highlighted to the Congress in a timely manner. The conferees note that this new account structure has been in place for three years and sufficient time has passed for the Department to budget properly in this account structure. The conferees do not expect to continue this provision in the future.

The conference agreement includes section 217 allowing for the transfer of funds from General Operating Expenses to the Veterans Housing Benefit Program Fund Program Account for the cost of a nationwide property management contract, as proposed by both the House and the Senate.

The conference agreement includes section 218, as proposed by both the House and the Senate, which allows Alaskan veterans to use medical facilities of the Indian Health Service or tribal organizations at no additional cost to the Department of Veterans Affairs or the Indian Health Service.

The conference agreement includes section 219 which provides for the transfer of funds from the Department of Veterans Affairs Capital Asset Fund to the Construction, Major Projects and Construction, Minor Projects accounts and makes those funds available until expended. This provision was included in both the House and the Senate bills.

The conference agreement includes section 220, which prohibits the expenditure of funds to replace the current system by which VISNs select and contract for diabetes monitoring supplies and equipment. The House had proposed a similar prohibition and the Senate had proposed report language on this issue.

The conference agreement includes section 221, prohibiting the use of funds on any policy prohibiting the outreach or marketing to enroll new veterans, as proposed by the Senate.

The conference agreement includes section 222, which requires the Secretary to submit quarterly reports on the financial status and service level status of the Veterans Health Administration. The report shall contain, at a minimum, both planned and actual expenditure rates, unobligated balances, potential financial shortfalls, any transfers between major accounts (medical services, medical administration, and medical facilities), and status of any equipment or non-recurring maintenance funds—including whether they have been used to pay for operating expenses. In addition, the service portion of the report will contain, at a minimum, the time required for new patients to get their first appointment, the time required for established patients to get their next appointment, and the number of unique veterans and patients being served. Each report should address data for the system total and for each VISN, and for comparison purposes the initial report shall also provide patient data for the preceding eight quarters. The conference agreement modifies Senate section 203.

The conference agreement includes section 223, requiring the Department of Veterans Affairs to submit to the Committees on Appropriations of both Houses of Congress, a plan for implementation of the third recommendation contained in Office of Inspector General Report No. 05–00765–137. The provision also prohibits the expenditure of funds retroactively to revoke or reduce disability compensation payments related to 2,100 cases used in preparing the Inspector General report. The language in the conference agreement is a modification of the language included in the Senate bill.

The conference agreement includes section 224, as proposed by the Senate, calling for collaboration between the National Center for Post Traumatic Stress Disorder and the Department of Defense. The provision was not in the House bill.

The conference agreement includes section 225, allowing for the transfer of funds from various accounts to the Information Technology Systems account to complete the restructuring in this appropriations Act, subject to congressional approval. This provision was not in either House or Senate bill.

The conference agreement includes section 226, allowing for the transfer of funds among various accounts to perfect the accounting structure of the Information Technology Systems account, subject to congressional approval. This provision was not in either House or Senate bill.

The conference agreement includes section 227, providing for transfer of funds among projects within the Information Technology Systems account, subject to congressional notification and approval for any change of $1,000,000 or more.

The conference agreement includes section 228, providing for the Department to conduct an information campaign in States where disability compensation payments are less

than $7,300. The Senate had proposed this language as a proviso within the General Operating Expenses account.

The conference agreement includes section 229, which places a cap on the total funding available for HealtheVetVista in fiscal year 2006 and requires approval of an expenditure plan for the project by the Committees on Appropriations of both Houses of Congress. The Senate had proposed similar language as part of the Information Technology account.

The conference agreement includes section 230, which extends the authorization of the Department's homeless program until September 30, 2006. This provision was not in either House or Senate bill.

The conference agreement does not include a provision proposed by the Senate (section 204), which would have required the Department to seek approval of the Congress for a change of 10 percent or more in the scope of a major construction project. The proposed provision would have duplicated section 8104 of title 38, United States Code.

The conference agreement does not include a provision proposed by the House (section 213) restricting the use of funds for implementing sections 2 and 5 of Public Law 107–287 and section 303 of Public Law 108–422.

The conference agreement does not include a provision proposed by the Senate (section 222). The report requested in the provision has been addressed in the overview language at the beginning of this section on the Department of Veterans Affairs.

The conference agreement does not include a provision proposed by the Senate (section 223) regarding distribution of veterans' benefits handbooks. This issue is addressed in the overview language at the beginning of this section on the Department of Veterans Affairs.

The conference agreement does not include a provision proposed by the Senate (section 226) because it duplicates the intent of Senate section 203.

The conference agreement does not include a provision proposed by the Senate (section 227) regarding Community Based Outpatient Clinics in rural areas. This issue is addressed in the Medical Facilities section of the statement of the managers.

TITLE III

RELATED AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

The conference agreement appropriates $36,250,000 for Salaries and Expenses as proposed by the Senate, instead of $35,750,000 as proposed by the House.

Within the amount provided, the conferees are in agreement that the Commission is to use $500,000 to have a study conducted to determine what action is warranted to preserve the stability of the World War II Point du Hoc Ranger Monument located near the Normandy American Cemetery in France.

The conferees have also provided the full budget request of $3,100,000 for the completion of funding required to construct the Normandy Interpretive Center at the Normandy American Cemetery in France.

The conferees agree with direction in the House report that the Commission is to provide a report of the financial position of the World War II Memorial fund annually to the Committees on Appropriations of the House and Senate.

FOREIGN CURRENCY FLUCTUATIONS ACCOUNT

The conference agreement appropriates $15,250,000 for the Foreign Currency Fluctuations Account as proposed by both the House and the Senate.

UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

SALARIES AND EXPENSES

The conference agreement appropriates $18,795,000 for the Salaries and Expenses Account as proposed by the Senate, instead of $18,295,000 as proposed by the House. The conferees are in agreement that the increase shall be used to begin implementation of an electronic case management system as directed in the Senate report.

DEPARTMENT OF DEFENSE—CIVIL CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

The conference agreement appropriates $29,050,000 for Salaries and Expenses, instead of $29,550,000 as proposed by the House and $28,550,000 as proposed by the Senate.

The conferees are in agreement that $1,000,000 is to be used to continue the Arlington Cemetery automation process with a priority placed on providing for the physical security of the ''hard copy'' records. Additionally, the conferees direct the Army to provide an updated report to the Committees on Appropriations of the House and Senate on its automation process. The report shall identify detailed cost estimates for the total project as well as costs for key components, which may be procured on a stand-alone basis.

ARMED FORCES RETIREMENT HOME

The conference agreement appropriates $58,281,000 for the Armed Forces Retirement Home as proposed by both the House and the Senate. These funds are to be paid from funds available in the Armed Forces Retirement Home Trust Fund. Of the amount provided, $1,248,000 shall remain available until expended for construction and renovation of physical plants at the Armed Forces Retirement Home. The conferees recognize that the Washington, D.C. facility is undergoing a transformation as a result of moving residents from the Gulfport, Mississippi facility after hurricane Katrina. The conferees wish to be fully informed of any changes at the Washington, D.C. facility and direct the Armed Forces Retirement Home to provide periodic updates and information to the Committees on Appropriations of the House and Senate.

TITLE IV

GENERAL PROVISIONS

The conference agreement includes section 401 as proposed by the House to prohibit the obligation of funds in the Act beyond the current fiscal year unless expressly so provided. The Senate bill contained no similar provision.

The conference agreement includes section 402 as proposed by the House to require pay raises to be absorbed within the levels appropriated in the Act. The Senate bill contained no similar provision.

The conference agreement includes section 403 as proposed by the House to prohibit the use of funds in the Act for programs, projects or activities not in compliance with Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates. The Senate bill contained no similar provision.

The conference agreement includes section 404 as proposed by the House to prohibit the use of funds in the Act to support or defeat legislation pending before Congress. The Senate bill contained no similar provision.

The conference agreement includes section 405 as proposed by the House to encourage the expansion of E-Commerce technologies and procedures. The Senate bill contained no similar provision.

The conference agreement includes section 406 as proposed by both Houses of Congress to prohibit the transfer of funds to any instrumentality of the United States Government without authority from an appropriations Act.

The conference agreement includes section 407 as proposed by both Houses of Congress to specify the congressional committees that are to receive all reports and notifications.

The conference agreement includes a new section 408 to amend section 613 of the Science, State, Justice, Commerce and Related Agencies Appropriations Act, 2006.

The conference agreement does not include a provision proposed by the House regarding reimbursements for consultants. The Senate bill contained no similar provision.

The conference agreement does not include a provision proposed by the House regarding a reporting requirement in the Defense Base Closure and Realignment Act of 1990. The Senate bill contained no similar provision.

The conference agreement does not include a provision proposed by the Senate regarding conference report requirements. The House bill contained no similar provision.

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
ALABAMA		
ARMY		
ANNISTON ARMY DEPOT		
UPGRADE FOR 33 THEATER HIGH ALTITUDE AIR DEFENSE STORAGE IGLOOS	---	3,150
FORT RUCKER		
ARMY AVIATION		
C4I FACILITY	---	9,700
REDSTONE ARSENAL		
SCHOOL AGE SERVICES FACILITY	---	5,100
SYSTEMS SOFTWARE ENGINEERING ANNEX	---	20,000
AIR FORCE		
MAXWELL AIR FORCE BASE		
SPECIAL OPERATIONS COMMAND LODGING FACILITY	14,900	14,900
ARMY NATIONAL GUARD		
FORT PAYNE		
ADDITION/ALTERATION READINESS CENTER	---	4,145
AIR NATIONAL GUARD		
MONTGOMERY REGIONAL AIRPORT BASE		
REPLACE COMPOSITE OPERATIONS AND TRAINING FACILITY	9,100	9,100
NAVY RESERVE		
MOBILE		
MARINE CORPS RESERVE CENTER	7,463	8,163
ALASKA		
ARMY		
FORT RICHARDSON		
RAILHEAD PORT FACILITY	---	4,700
FORT WAINWRIGHT		
BARRACKS COMPLEX	33,560	33,560
INFORMATION SYSTEMS FACILITY	---	5,600
ROTARY WING LANDING PAD	---	5,500
AIR FORCE		
CLEAR AIR FORCE STATION		
DORMITORY (100 ROOM)	20,000	20,000
ELMENDORF AIR FORCE BASE		
C-17 SURVIVAL EQUIPMENT SHOP	820	820
C-17 MAINTENANCE COMPLEX (PHASE I)	54,000	54,000
AIR NATIONAL GUARD		
EIELSON AFB		
MOBILITY WAREHOUSE	---	5,900
AIR FORCE RESERVE		
ELMENDORF AIR FORCE BASE		
C-17 CONVERT HANGAR FOR AIR FORCE RESERVE COMMAND GROUP HEADQUARTERS	3,100	3,100
ARIZONA		
ARMY		
FORT HUACHUCA		
EFFLUENT REUSE SYSTEM	---	5,100
YUMA PROVING GROUND		
SPECIAL OPERATIONS FREE FALL SIMULATOR	---	8,100
NAVY		
YUMA		
ROTARY WING FUELING APRON	3,637	3,637
AIR FORCE		
DAVIS-MONTHAN AIR FORCE BASE		
CSAR SQUADRON COMPLEX	8,600	8,600
LUKE AIR FORCE BASE		
DORMITORY (144 ROOM)	13,000	13,000
DEFENSE-WIDE		
YUMA		
ROTARY WING HYDRANT SYSTEM	7,300	7,300
AIR FORCE RESERVE		
DAVIS-MONTHAN AIR FORCE BASE		
ALTER RESCUE SQUADRON OPERATIONS FACILITY	1,500	1,500

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
LUKE AIR FORCE BASE		
944TH CIVIL ENGINEER SQUADRON FACILITY	---	5,900
ARKANSAS		
AIR FORCE		
LITTLE ROCK AIR FORCE BASE		
AIRMEN DINING FACILITY	---	6,400
PARALLEL TAXIWAY ALL AMERICAN LANDING ZONE	2,500	2,500
ARMY NATIONAL GUARD		
CAMP ROBINSON		
REGIONAL INSTITUTE TRAINING COMPLEX	---	5,608
CALIFORNIA		
ARMY		
CONCORD		
PIER SECURITY UPGRADE	8,600	8,600
UPGRADE OUTLOAD FACILITIES	3,250	3,250
FORT IRWIN		
LAND ACQUISITION (PHASE III)	5,000	5,000
MILITARY OPERATIONS URBAN TERRAIN (PHASE I)	12,000	12,000
REPLACE DINING FACILITY	---	4,250
NAVY		
CAMP PENDLETON		
ASSAULT BREACHER VEHICLE FACILITY	5,160	5,160
BACHELOR ENLISTED QUARTERS - HEADQUARTERS	19,620	19,620
FLIGHT LINE SECURITY FENCE	1,400	1,400
RECLAMATION/CONVEYANCE (PHASE I)	25,436	25,436
CHINA LAKE		
ADVANCED SENSOR LAB	19,158	19,158
EL CENTRO		
APRON AND HANGAR RECAP (PHASE II)	18,666	18,666
LEMOORE		
REPLACE AIR TRAFFIC CONTROL TOWER	8,480	8,480
MIRAMAR MARINE CORPS AIR STATION		
PROVOST MARSHAL SCREENING FACILITY	---	5,070
NAVAL POSTGRADUATE SCHOOL		
GLASGOW HALL ADDITION	---	6,500
NORTH ISLAND		
BACHELOR ENLISTED QUARTERS - SHIPBOARD ASHORE	13,700	---
TWENTYNINE PALMS		
IMPROVE WASTEWATER TREATMENT FACILITY	---	3,000
MILITARY OPERATIONS ON URBAN TERRAIN FACILITY (PHASE I)	---	21,000
AIR FORCE		
BEALE AIR FORCE BASE		
GLOBAL HAWK TWO BAY MAINTENANCE HANGAR	14,200	14,200
EDWARDS AIR FORCE BASE		
MAINBASE RUNWAY (PHASE I)	37,000	37,000
TRAVIS AIR FORCE BASE		
AEROSPACE GROUND EQUIPMENT FACILITY (AGE)	---	10,900
AIR MOBILITY OPERATIONS GROUP GLOBAL REACH DEPLOYMENT CENTER	19,000	19,000
C-17 ADDITION/ALTERATION LIFE SUPPORT	1,300	1,300
C-17 ADDITION COMPOSITE SHOP	3,200	3,200
C-17 MAINTENANCE TRAINING FACILITY	8,100	8,100
C-17 WHEEL AND TIRE SHOP	---	3,900
VANDENBERG AIR FORCE BASE		
FITNESS CENTER	16,845	16,845
DEFENSE-WIDE		
BEALE AIR FORCE BASE		
CLINIC ADDITION/ALTERATION	18,000	18,000
CORONADO		
SPECIAL OPERATIONS FORCES APPLIED INSTRUCTION FACILITY	4,000	4,000
SPECIAL OPERATIONS FORCES APPLIED INSTRUCTION SUPPORT FACILITY	11,000	11,000

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
SPECIAL OPERATIONS FORCES APPLIED INSTRUCTION FACILITIES	13,350	13,350
DEFENSE DISTRIBUTION DEPOT - TRACY		
REPLACE GENERAL PURPOSE WAREHOUSE	33,635	33,635
MIRAMAR		
REPLACE STORAGE AND DISTRIBUTION SYSTEM	23,000	23,000
SAN DIEGO		
PATIENT PARKING FACILITY	15,000	15,000
ARMY NATIONAL GUARD		
CAMP ROBERTS		
URBAN COMBAT COURSE	---	1,500
ROSEVILLE		
ADDITION/ALTERATION READINESS CENTER (ARMY DIVISION REDESIGN STUDY)	2,941	2,941
SAN LUIS OBISPO		
DINING FACILITY	---	8,599
AIR NATIONAL GUARD		
FRESNO YOSEMITE INTERNATIONAL AIRPORT		
AIR SOVEREIGNTY ALERT - ALERT CREW QUARTERS FACILITY	3,000	3,000
ARMY RESERVE		
FORT HUNTER LIGGETT		
SHOOT HOUSE/AFTER ACTION REVIEW	1,700	1,700
URBAN ASSAULT COURSE	1,500	1,500
COLORADO		
ARMY		
FORT CARSON		
ARRIVAL/DEPARTURE AIR CONTROL GROUP COMPLEX (PHASE I-B)	14,600	14,600
BARRACKS COMPLEX	25,522	25,522
COMBINED ARMS COLLECTIVE TRAINING FACILITY	28,000	28,000
HOT REFUEL PADS, BAAF	---	2,200
SHOOT HOUSE	1,250	1,250
SHOOT HOUSE (US ARMY SPECIAL OPERATIONS COMMAND)	1,250	1,250
AIR FORCE		
BUCKLEY AIR FORCE BASE		
ADD/ALTER COMMUNICATIONS COMPLEX	10,600	10,600
CONSOLIDATED SERVICES FACILITY	4,000	4,000
LEADERSHIP DEVELOPMENT FACILITY	5,500	5,500
PETERSON AIR FORCE BASE		
76TH SPACE CONTROL FACILITY	---	12,700
WEST GATE FORCE PROTECTION ACCESS	12,800	12,800
U.S. AIR FORCE ACADEMY		
UPGRADE ACADEMIC FACILITY (PHASE IV-A)	13,000	13,000
DEFENSE-WIDE		
PETERSON AIR FORCE BASE		
LIFE SKILLS SUPPORT CENTER	1,820	1,820
ARMY NATIONAL GUARD		
GRAND JUNCTION		
FIELD MAINTENANCE SHOP	---	5,100
AIR NATIONAL GUARD		
GREELEY AIR NATIONAL GUARD STATION		
SPACE WARNING SQUADRON SUPPORT FACILITY	---	6,400
CONNECTICUT		
NAVY		
SUBMARINE BASE NEW LONDON		
CRANE MAINTENANCE FACILITY	---	4,610
DELAWARE		
AIR FORCE		
DOVER AIR FORCE BASE		
C-17 ALTER FACILITIES FOR PARTS STORAGE	1,000	1,000
C-17 FLIGHT SIMULATOR FACILITY	5,000	5,000
DORMITORY (144 ROOM)	13,000	13,000

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
AIR NATIONAL GUARD		
NEW CASTLE COUNTY AIRPORT ANG BASE		
ADDITIONS TO RESERVE FORCES MEDICAL TRNG FACILITY.	---	1,500
NEW SECURITY FORCES FACILITY	---	1,400
DISTRICT OF COLUMBIA		
AIR FORCE		
BOLLING AIR FORCE BASE		
CONSTRUCT OPERATIONS FACILITY	10,400	10,400
FORCE PROTECTION MAIN GATE	4,500	4,500
DEFENSE-WIDE		
BOLLING AIR FORCE BASE		
PEPCO FEEDER LINE	7,900	7,900
FLORIDA		
NAVY		
JACKSONVILLE		
HELICOPTER HANGAR REPLACEMENT (PHASE I)	45,179	45,179
MAYPORT		
BACHELOR ENLISTED QUARTERS - HOMEPORT ASHORE	7,820	7,820
CONSOLIDATED MAINTENANCE FACILITY	---	4,470
EXPAND FLIGHT TRAINER	2,930	2,930
PANAMA CITY		
JOINT AQUATIC COMBAT DIVER TRAINING	9,678	9,678
PENSACOLA		
WATER TREATMENT FACILITY RECAPITALIZATION	8,710	8,710
WHITING FIELD NAVAL AIR STATION		
CONTROL TOWER RECAPITALIZATION, SOUTH FIELD	---	4,670
AIR FORCE		
CAPE CANAVERAL AIR STATION		
SATELLITE PROCESSING OPERATIONS SUPPORT FACILITY	---	6,200
HURLBURT FIELD		
WEAPONS INSTRUCTOR COURSE FACILITY	2,540	2,540
MACDILL AIR FORCE BASE		
CENTRAL COMMAND JOINT INTELLIGENCE CENTER	67,000	67,000
SECURITY FORCES FACILITY	11,200	11,200
TYNDALL AIR FORCE BASE		
1ST AIR FORCE OPERATIONS CENTER (PHASE II)	---	10,000
DORMITORY (120 ROOM)	9,000	9,000
F/A-22 ADDITION FUELS MAINTENANCE	2,500	2,500
DEFENSE-WIDE		
EGLIN AIR FORCE BASE		
SPECIAL OPERATIONS FORCES MOBILITY/AERIAL DELIVERY SUPPORT FACILITY	12,800	12,800
HURLBURT FIELD		
AT/FP MAIN GATE/SOUNDSIDE ACCESS	---	6,500
ARMY NATIONAL GUARD		
CAMP BLANDING		
REGIONAL TRAINING INSTITUTE COMPLEX (PHASE II)	---	20,049
AIR FORCE RESERVE		
HOMESTEAD AIR RESERVE BASE		
VISITING QUARTERS	---	6,900
PATRICK AIR FORCE BASE		
ALTER RESCUE SQUADRON OPERATIONS FACILITY	2,090	2,090
GEORGIA		
ARMY		
FORT BENNING		
COMBINED ARMS COLLECTIVE TRAINING FACILITY	20,961	20,961
INFANTRY PLATOON BATTLE COURSE	4,300	4,300
SHOOT HOUSE	1,250	1,250
SHOOT HOUSE (US ARMY SPECIAL OPERATIONS COMMAND)	1,700	1,700
SQUAD DEFENSE RANGE	---	2,050
FORT GILLEM		
FORENSIC LAB ADDITION	3,900	3,900

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
FORT GORDON		
MILITARY POLICE COMPLEX	---	4,550
FORT STEWART		
BARRACKS COMPLEX	37,566	37,566
SHOOT HOUSE (US ARMY SPECIAL OPERATIONS COMMAND)	1,250	1,250
URBAN ASSAULT COURSE	1,350	1,350
VEHICLE MAINTENANCE SHOP	17,814	17,814
NAVY		
ALBANY MARINE CORPS LOGISTICS BASE		
COMBAT VEHICLE MAINTENANCE AND PRESERVATION FACILITY	---	4,000
SATELLITE FIRE STATION	---	1,840
KINGS BAY		
ARMORED FIGHTING VEHICLE SUPPORT FACILITY	---	3,890
UTILITY AND SITE IMPROVEMENTS/WATERFRONT SECURITY EMERGENCY GENERATOR	3,000	3,000
AIR FORCE		
ROBINS AIR FORCE BASE		
51ST COMBAT COMMUNICATIONS SQUADRON OPERATIONS FACILITY	---	5,600
APPROACH LIGHTING SYSTEM	2,000	2,000
DEFENSE-WIDE		
AUGUSTA		
REGIONAL SECURITY OPERATIONS CENTER	61,466	48,966
FORT STEWART		
NEW ELEMENTARY SCHOOL	16,629	16,629
SPECIAL OPERATION FORCES EQUIPMENT MAINTENANCE COMPLEX	10,000	10,000
AIR NATIONAL GUARD		
SAVANNAH/HILTON HEAD INTERNATIONAL AIRPORT		
REPLACE COMBAT READINESS TRAINING CENTER/MEDICAL TRAINING COMPLEX	7,200	7,200
HAWAII		
ARMY		
HELEMANO		
DRUM ROAD UPGRADE (PHASE II)	41,000	41,000
POHAKULOA TRAINING AREA		
BATTLE AREA COMPLEX	34,000	34,000
TACTICAL VEHICLE WASH FACILITY	9,300	9,300
SADDLE ROAD	---	17,000
SCHOFIELD BARRACKS		
BARRACKS COMPLEX (PHASE I)	48,000	48,000
MODIFIED URBAN ASSAULT COURSE	5,900	5,900
VEHICLE MAINTENANCE FACILITY (PHASE II)	24,656	24,656
NAVY		
KANEOHE BAY		
CAMP SMITH FIRE STATION	5,700	5,700
PEARL HARBOR		
PACIFIC WARFIGHTING CENTER	29,700	29,700
AIR FORCE		
HICKAM AIR FORCE BASE		
DISTRIBUTED COMMON GROUND SYSTEM CONSTRUCT INTELLIGENCE SQUADRON OPERATIONS FACILITY	5,678	5,678
UPGRADE ELECTRICAL DISTRIBUTION SYSTEM (PHASE III)	---	7,700
DEFENSE-WIDE		
KUNIA		
REGIONAL SECURITY OPERATIONS CENTER REPLACEMENT	61,466	48,966
AIR NATIONAL GUARD		
HICKAM AIR FORCE BASE		
F-15 AIRCRAFT RINSE FACILITY	2,500	2,500
AIR FORCE RESERVE		
HICKAM AIR FORCE BASE		
CONSOLIDATED TRAINING	6,450	6,450

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
IDAHO		
AIR FORCE		
MOUNTAIN HOME AIR FORCE BASE		
BASE OPERATIONS/RADAR APPROACH CONTROL FACILITY...	9,835	9,835
ARMY NATIONAL GUARD		
GOWEN FIELD		
RAILHEAD (PHASE I).....	---	8,415
ILLINOIS		
ARMY		
ROCK ISLAND ARSENAL		
COMBINED FIRE/POLICE STATION.....	---	7,400
NAVY		
GREAT LAKES		
DRILL HALL REPLACEMENT.....	16,610	16,610
RECRUIT TRAINING COMMAND BARRACKS.....	38,720	38,720
RECRUIT TRAINING COMMAND BARRACKS.....	33,840	33,840
RECRUIT TRAINING COMMAND INFRASTRUCTURE UPGRADE (PHASE I).....	32,730	32,730
AIR NATIONAL GUARD		
PEORIA REGIONAL AIRPORT		
REPLACEMENT COMPOSITE ASOC/ASOS TRAINING FACILITY.	---	9,600
INDIANA		
ARMY		
CRANE ARMY AMMUNITION ACTIVITY		
HIGH PERFORMANCE MAGAZINES (PHASE I).....	---	5,700
NAVY		
NAVAL SURFACE WARFARE CENTER CRANE		
SPECIAL WEAPONS ENGINEERING FACILITY.....	---	8,220
ARMY NATIONAL GUARD		
CAMP ATTERBURY		
FIRE STATION (ARMY DIVISION REDESIGN STUDY).....	2,454	2,454
AIR FORCE RESERVE		
GRISSOM AIR RESERVE BASE		
RADAR APPROACH CONTROL FACILITY.....	7,000	7,000
IOWA		
ARMY NATIONAL GUARD		
FORT DODGE		
ADDITION/ALTERATION FIELD MAINTENANCE SHOP.....	---	1,500
KANSAS		
ARMY		
FORT LEAVENWORTH		
LEWIS AND CLARK INSTRUCTIONAL FACILITY (PHASE III)	42,642	42,642
FORT RILEY		
ALERT HOLDING AREA.....	---	6,300
DEPLOYMENT FACILITY RAMP EXPANSION.....	5,500	5,500
DEPLOYMENT SUPPORT FACILITY.....	---	4,600
DIGITAL MULTIPURPOSE TRAINING RANGE.....	17,500	17,500
DEFENSE-WIDE		
MCCONNELL AIR FORCE BASE		
HYDRANT FUEL SYSTEM.....	15,800	15,800
ARMY NATIONAL GUARD		
PITTSBURG		
READINESS CENTER.....	---	5,683
ARMY RESERVE		
NEW CENTURY		
ORGANIZATIONAL MAINTENANCE SHOP/AREA MAINTENANCE SUPPORT ACTIVITY/UNHEATED STORAGE (PHASE I).....	6,376	6,376
KENTUCKY		
ARMY		
FORT CAMPBELL		
AIRFIELD SUPPORT FACILITY.....	---	3,600

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
BARRACKS COMPLEX - 52ND ST	49,575	49,575
BARRACKS COMPLEX - GLIDER RD	43,000	43,000
BARRACKS COMPLEX (PHASE II)	24,650	24,650
COMBINED ARMS COLLECTIVE TRAINING FACILITY (PHASE II)	10,300	10,300
MAIN GATE ACCESS CONTROL POINT (GATE 4)	---	8,300
URBAN ASSAULT COURSE	1,700	1,700
FORT KNOX		
IMPROVE BATTALION DINING FACILITIES	---	4,600
TRAINEE BARRACKS COMPLEX 1 (PHASE II)	21,000	21,000
DEFENSE-WIDE		
FORT CAMPBELL		
SPECIAL OPERATIONS FORCES COMPANY OPERATIONS AND SUPPLY FACILITY	7,800	7,800
SPECIAL OPERATIONS FORCES GROUP OPERATIONS COMPLEX	30,000	30,000
ARMY NATIONAL GUARD		
LONDON		
JOINT SUPPORT OPERATIONS CENTER (COUNTERDRUG)	---	1,785
W.H.FORD REGIONAL TRAINING CENTER		
TRAINING COMPLEX (PHASE VI)	9,720	9,720
LOUISIANA		
ARMY		
FORT POLK		
COMBINED ARMS COLLECTIVE TRAINING FACILITY	28,887	28,887
AIR FORCE		
BARKSDALE AFB		
INTEGRATED OPERATIONS CENTER	---	10,800
MAINE		
NAVY		
PORTSMOUTH NAVAL SHIPYARD		
ACOUSTIC TEST AND CALIBRATION FACILITY	---	8,100
MARYLAND		
NAVY		
ANNAPOLIS		
WESLEY BROWN FIELD HOUSE (PHASE I)	24,930	24,930
INDIAN HEAD		
JOINT EXPLOSIVE ORDNANCE DISPOSAL TECHNICAL SUPPORT CENTER	---	8,250
PATUXENT RIVER		
MULTI-MISSION MARITIME AIRCRAFT TEST FACILITY	5,800	5,800
PRESIDENTIAL HELICOPTER PROGRAMS SUPPORT FACILITY (PHASE I)	40,700	40,700
DEFENSE-WIDE		
BETHESDA NAVAL HOSPITAL		
ACADEMIC PROGRAM CENTER/GRADUATE SCHOOL NURSING ADDITION	10,350	10,350
FORT DETRICK		
JOINT MEDICAL LOGISTICS CENTER	34,000	34,000
US ARMY MEDICAL RESEARCH INSTITUTE OF INFECTIOUS DISEASES STERILIZATION PLANT	21,200	21,200
FORT MEADE		
CLASSIFIED MATERIAL CONVERSION	12,030	12,030
FRIENDSHIP ANNEX COMPLEX GENERATOR PLANT	12,009	12,009
SOUTH CAMPUS MAIL FACILITY	4,010	4,010
ARMY NATIONAL GUARD		
DUNDALK ARMORY		
ORGANIZATIONAL MAINTENANCE SHOP	---	4,912

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
MASSACHUSETTS		
AIR FORCE		
HANSCOM AIR FORCE BASE		
FOURTH CLIFF EROSION CONTROL STABILIZATION SYSTEM (PHASE I)	10,000	---
REPLACE BCE HEAVY REPAIR AND GROUNDS FACILITY	---	3,900
ARMY NATIONAL GUARD		
CAMP CURTIS GUILD (READING)		
ORGANIZATIONAL MAINTENANCE SHOP (ARMY DIVISION REDESIGN STUDY)	17,136	17,136
CAMP EDWARDS		
READINESS CENTER (ARMY DIVISION REDESIGN STUDY)	2,542	2,542
WESTFIELD		
FIRE STATION (ARMY DIVISION REDESIGN STUDY)	2,129	2,129
AIR NATIONAL GUARD		
BARNES MUNICIPAL AIRPORT		
WEAPONS MAINTENANCE/LOAD CREW TRAINING FACILITY	---	7,100
AIR FORCE RESERVE		
WESTOVER AIR RESERVE BASE		
MUNITIONS STORAGE AND MAINTENANCE	3,000	3,000
MICHIGAN		
ARMY NATIONAL GUARD		
CAMP GRAYLING RANGE		
MULTI-PURPOSE MACHINE GUN RANGE	1,901	1,901
LANSING		
USPFO/READINESS CENTER (PHASE I)	---	11,800
AIR NATIONAL GUARD		
ALPENA		
CRTC SQUADRON OPERATIONS FACILITY	---	9,500
W.K. KELLOGG AIRPORT		
REPLACE CIVIL ENGINEERING COMPLEX	---	7,400
MINNESOTA		
AIR NATIONAL GUARD		
DULUTH INTERNATIONAL AIRPORT		
FAA/AIR NATIONAL GUARD FIRE STATION FACILITY	---	6,500
MINNEAPOLIS-ST.PAUL INTERNATIONAL AIRPORT		
COMPOSITE MAINTENANCE COMPLEX	---	8,800
AIR FORCE RESERVE		
MINNEAPOLIS-ST.PAUL INTERNATIONAL AIRPORT		
JOINT USE SMALL ARMS RANGE	---	3,000
MISSISSIPPI		
NAVY		
NAS MERIDIAN		
JET ENGINE TEST CELL	---	10,450
AIR FORCE		
COLUMBUS AFB		
MISSION SUPPORT GROUP COMPLEX	---	10,000
KEESLER AIR FORCE BASE		
STUDENT DORMITORY (300 ROOM)	30,100	30,100
TECHNICAL TRAINING FACILITY	17,400	17,400
DEFENSE-WIDE		
KEESLER AIR FORCE BASE		
SURGERY SUITE ADDITION/ALTERATION	14,000	14,000
ARMY NATIONAL GUARD		
CAMP SHELBY		
COMBINED ARMS AREA WETLANDS CROSSINGS (PHASE I)	5,263	5,263
MODIFIED RECORD FIRE RANGE	3,000	3,000
AIR NATIONAL GUARD		
GULFPORT		
REPLACE MUNITIONS TRAINING AND STORAGE COMPLEX	---	4,500

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
MISSOURI		
ARMY		
FORT LEONARD WOOD		
COUNTERMINE TRAINING COMPLEX (PHASE II)	8,100	8,100
PERMANENT PARTY BARRACKS	---	15,400
AIR FORCE		
WHITEMAN AIR FORCE BASE		
B-2 CONVENTIONAL MUNITIONS STORAGE	---	5,721
ARMY NATIONAL GUARD		
FORT LEONARD WOOD		
MK 19 RANGE	1,878	1,878
SPRINGFIELD		
AVIATION CLASSIFICATION AND REPAIR ACTIVITY DEPOT (PHASE I)	---	8,234
MONTANA		
AIR FORCE		
MALMSTROM AFB		
PHYSICAL FITNESS CENTER	---	13,500
ARMY NATIONAL GUARD		
HELENA		
ARMY AVIATION SUPPORT FACILITY (PHASE II)	5,942	5,942
ADDITION/ALTERATION READINESS CENTER (ARMY DIVISION REDESIGN STUDY)	1,324	1,324
TOWNSEND		
QUALIFICATION TRAINING RANGE	---	2,558
NEBRASKA		
AIR FORCE		
OFFUTT AIR FORCE BASE		
CHILD DEVELOPMENT CENTER	---	12,800
CONSTRUCT HEADQUARTERS AIR FORCE WEATHER AGENCY	30,410	30,410
REPAIR RUNWAY	19,870	19,870
NEVADA		
AIR FORCE		
INDIAN SPRINGS		
PREDATOR MAINTENANCE AND LOGISTICS COMPLEX	19,260	19,260
PREDATOR MUNITIONS COMPLEX	9,330	9,330
PREDATOR OPERATIONS FACILITIES	23,314	23,314
PREDATOR TRAINING FACILITIES	8,820	8,820
NELLIS AIR FORCE BASE		
AIRFIELD RESCUE STATIONS	---	4,800
F/A-22 ADD/ALTER LOW OBSERVABLE COMPOSITE FACILITY	9,330	9,330
F/A-22 ADD/ALTER WEAPONS SCHOOL	10,240	10,240
DEFENSE-WIDE		
NELLIS AIR FORCE BASE		
BIO ENVIRONMENTAL ENGINEERING FACILITY REPLACEMENT	1,700	1,700
AIR NATIONAL GUARD		
RENO-TAHOE INTERNATIONAL AIRPORT		
INTELLIGENCE EXPLOITATION FACILITY	---	16,800
NEW HAMPSHIRE		
ARMY NATIONAL GUARD		
NH NATIONAL GUARD STATE MILITARY RESERVATION		
NH NATIONAL GUARD JOINT FORCE HEADQUARTERS	---	10,498
NEW JERSEY		
ARMY		
PICATINNY ARSENAL		
FIRE STATION	---	4,450
NAVY		
EARLE		
PIER COMPLEX REPLACEMENT (PHASE III)	54,432	54,432
AIR FORCE		
MCGUIRE AIR FORCE BASE		

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
ELECTRICAL DISTRIBUTION SYSTEM	13,185	13,185
ARMY NATIONAL GUARD		
LAKEHURST		
CONSOLIDATED LOGISTICS AND TRAINING FACILITIES	26,685	26,685
ARMY RESERVE		
FORT DIX		
COMBINED ARMS COLLECTIVE TRAINING FACILITY	---	12,271
SHOOT HOUSE/AFTER ACTION REVIEW/BREACH FACILITY	1,569	1,569
NEW MEXICO		
AIR FORCE		
HOLLOMAN AIR FORCE BASE		
FIRE STATION	---	15,000
KIRTLAND AIR FORCE BASE		
HC-130P SIMULATOR FACILITY	6,600	6,600
DEFENSE-WIDE		
CANNON AIR FORCE BASE		
REPLACE FUEL STORAGE AND LOADING FACILITY	13,200	13,200
NEW YORK		
ARMY		
FORT DRUM		
AIRFIELD VEHICLE SUPPORT FACILITY	---	9,700
AMMUNITION SUPPLY POINT PALLET PROCESSING FACILITY	1,850	1,850
BARRACKS COMPLEX 10300 BLOCK (PHASE I)	38,500	38,500
PHYSICAL FITNESS FACILITY	6,800	6,800
U.S. MILITARY ACADEMY		
IMPROVE CADET BARRACKS	---	3,500
LIBRARY AND LEARNING CENTER (PHASE II)	25,470	25,470
MODIFIED RECORD FIRE RANGE	4,000	4,000
ARMY NATIONAL GUARD		
KINGSTON		
ADDITION/ALTERATION READINESS CENTER (ARMY DIVISION REDESIGN STUDY)	6,039	6,039
LATHAM		
READINESS CENTER (ARMY DIVISION REDESIGN STUDY)	5,580	5,580
LEEDS		
ADDITION/ALTERATION READINESS CENTER (ARMY DIVISION REDESIGN STUDY)	3,065	3,065
ROCHESTER		
ARMY AVIATION SUPPORT FACILITY (AVIATION TRANSFORMATION)	19,944	19,944
AIR NATIONAL GUARD		
GRIFFISS		
NORTHEAST AIR DEFENSE SECTOR SUPPORT FACILITY, PHASE I	---	3,000
HANCOCK FIELD		
UPGRADE SQUADRON OPERATIONS FACILITY	---	5,600
STEWART INTERNATIONAL AIRPORT		
REPLACE FIRE CRASH/RESCUE STATION	10,200	10,200
NAVY RESERVE		
ALBANY		
JOINT RESERVE CENTER	19,970	19,970
AIR FORCE RESERVE		
NIAGARA FALLS INTERNATIONAL AIRPORT		
VISITING QUARTERS	9,200	9,200
NORTH CAROLINA		
ARMY		
FORT BRAGG		
BARRACKS COMPLEX - ADDITION TO 3RD BRIGADE COMPLEX	---	11,400
BARRACKS COMPLEX 2ND BRIGADE (PHASE I)	32,000	32,000
BARRACKS COMPLEX (PHASE II)	30,611	30,611
BARRACKS COMPLEX - 3RD BRIGADE (PHASE I)	50,000	50,000
BARRACKS COMPLEX - DIVISION ARTILLERY (PHASE I)	35,600	35,600
COMPANY OPERATIONS FACILITY	7,300	7,300

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
COURTHOUSE	4,450	4,450
URBAN ASSAULT COURSE	2,100	2,100
NAVY		
CAMP LEJEUNE		
ASSAULT BREACHER VEHICLE FACILITY	4,040	4,040
BACHELOR ENLISTED QUARTERS - CAMP JOHNSON	20,340	20,340
MESS HALL - COURTHOUSE BAY	11,840	11,840
MULTI-PURPOSE MACHINE GUN RANGE	5,370	5,370
CHERRY POINT MARINE CORPS AIR STATION		
AIR INSTALLATIONS COMPATIBLE USE ZONES LAND ACQUISITION	1,890	1,890
HIGH EXPLOSIVE MAGAZINES	5,107	5,107
ORDNANCE FIELD MAINTENANCE AND OPERATIONS BUILDING	---	2,000
V22 GEARBOX REPAIR/TEST FACILITY	15,390	15,390
V22 ROTOR BLADE REPAIR FACILITY	4,760	4,760
NEW RIVER MARINE CORPS AIR STATION		
AIRCRAFT FIRE AND RESCUE FACILITY	---	4,310
MAIN GATE SECURITY UPGRADES	2,530	2,530
DEFENSE-WIDE		
FORT BRAGG		
NEW ELEMENTARY SCHOOL/JUNIOR HIGH SCHOOL ADDITION	18,075	18,075
RESISTANCE TRAINING COMPLEX (JOINT SPECIAL OPERATIONS COMMAND)	2,569	2,569
SPECIAL OPERATIONS FORCES HEADQUARTERS BUILDING	3,700	3,700
SPECIAL OPERATIONS FORCES REPLACEMENT BAFFLED FIRING RANGE	---	3,300
SPECIAL OPERATIONS FORCES TRAINING FACILITY	8,500	8,500
SEYMOUR JOHNSON AIR FORCE BASE		
REPLACE HYDRANT FUEL SYSTEM	18,500	18,500
ARMY NATIONAL GUARD		
LENOIR		
FIELD MAINTENANCE SHOP	---	5,858
TARBORO		
ADDITION/ALTERATION READINESS CENTER (ARMY DIVISION REDESIGN STUDY)	1,154	1,154
AIR NATIONAL GUARD		
CHARLOTTE/DOUGLAS INTERNATIONAL AIRPORT		
VEHICLE MAINTENANCE COMPLEX	3,400	3,400
NORTH DAKOTA		
AIR FORCE		
MINOT		
SECURITY FORCES VEHICLE ALERT FACILITY	8,700	8,700
ARMY NATIONAL GUARD		
CAMP GRAFTON		
UPGRADE/HARDEN PERIMETER	---	870
FRAINE BARRACKS, BISMARCK		
WMD CIVIL SUPPORT TEAM FACILITY	---	3,737
MINOT		
FIELD MAINTENANCE SHOP	10,950	10,950
OHIO		
ARMY		
LIMA ARMY MODIFICATION CENTER		
JOINT SYSTEMS MANUFACTURING CENTER INTEGRATED OFFICE BUILDING	---	11,600
AIR FORCE		
WRIGHT-PATTERSON AIR FORCE BASE		
ADD/ALTER INTELLIGENCE PRODUCTION COMPLEX	19,670	19,670
NEW ACADEMIC BUILDING	---	12,950
ARMY NATIONAL GUARD		
MANSFIELD		
FIRE STATION (ARMY DIVISION REDESIGN STUDY)	1,293	1,293
NORTH CANTON		
ARMY AVIATION SUPPORT FACILITY (AVIATION TRANSFORMATION)	7,923	7,923

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
AIR NATIONAL GUARD		
CAMP PERRY ANG STATION		
REPLACE TROOP TRAINING QUARTERS	---	4,700
AIR FORCE RESERVE		
WRIGHT-PATTERSON AIR FORCE BASE		
C-5 AIRFIELD PAVEMENTS (PHASE II)	4,400	4,400
C-5 ALTER FLIGHT SIMULATOR FACILITY	800	800
C-5 ALTER FUEL HYDRANT SYSTEM	1,600	1,600
C-5 ALTER MAINTENANCE SHOPS	800	800
C-5 FUEL SYSTEMS MAINTENANCE HANGAR	10,500	10,500
C-5 SCHEDULED MAINTENANCE HANGAR	15,300	15,300
C-5 SQUADRON OPERATIONS FACILITY	5,750	5,750
YOUNGSTOWN AIR RESERVE STATION		
JOINT SERVICE LODGING FACILITY (PHASE I)	---	7,500
OKLAHOMA		
ARMY		
FORT SILL		
FIRE STATION	---	3,150
RAILROAD EQUIPMENT FACILITY	2,700	2,700
MCALESTER		
AMMUNITION CONTAINER FACILITY	5,400	5,400
AIR FORCE		
TINKER AIR FORCE BASE		
31ST COMBAT COMMUNICATION SQUADRON OPERATIONS COMPLEX	11,960	11,960
UPGRADE BUILDING 3001 INFRASTRUCTURE (PHASE II)	20,000	20,000
VANCE AIR FORCE BASE		
FORCE PROTECTION ENHANCEMENT (PHASE 1)	---	14,000
OREGON		
ARMY NATIONAL GUARD		
SALEM		
WEAPONS OF MASS DESTRUCTION - CIVIL SUPPORT TEAM READY BUILDING	---	2,735
NAVY RESERVE		
LANE COUNTY		
ARMED FORCES RESERVE CENTER	6,132	6,132
PENNSYLVANIA		
ARMY		
LETTERKENNY ARMY DEPOT		
LTL AMMUNITION SHIPPING FACILITY	---	6,300
NAVY		
PHILADELPHIA		
MACHINERY NETWORKS DEVELOPMENT AND INTEGRATION FACILITY	---	4,780
DEFENSE-WIDE		
DEFENSE DISTRIBUTION DEPOT NEW CUMBERLAND		
REPLACE PHYSICAL FITNESS FACILITY	6,500	6,500
ARMY NATIONAL GUARD		
ERIE		
FIELD MAINTENANCE SHOP (STRYKER BRIGADE COMBAT TEAM)	5,136	5,136
READINESS CENTER (STRYKER BRIGADE COMBAT TEAM)	11,008	11,008
FORT INDIANTOWN GAP		
BATTALION TRAINING FACILITY (PHASE I) (STRYKER BRIGADE COMBAT TEAM)	22,190	22,190
COMBINED ARMS COLLECTIVE TRAINING FACILITY	16,706	16,706
INFANTRY SQUAD BATTLE COURSE (STRYKER BRIGADE COMBAT TEAM)	2,859	2,859
LIVE FIRE SHOOT HOUSE (STRYKER BRIGADE COMBAT TEAM)	2,346	2,346
MISSION SUPPORT TRAINING FACILITY	4,363	4,363
MK-19 40MM (GREN) MACHINE GUN QUALIFICATION RANGE (STRYKER BRIGADE COMBAT TEAM)	4,344	4,344

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
MODIFIED RECORD FIRE RANGE UPGRADE (STRYKER BRIGADE COMBAT TEAM)	2,683	2,683
MULTI-PURPOSE MACHINE GUN RANGE (STRYKER BRIGADE COMBAT TEAM)	4,202	4,202
SNIPER RANGE (STRYKER BRIGADE COMBAT TEAM)	2,898	2,898
UNMANNED AERIAL VEHICLE TRAINING FACILITY	2,482	2,482
UNIT STORAGE SITE (STRYKER BRIGADE COMBAT TEAM)	2,961	2,961
URBAN ASSAULT COURSE (STRYKER BRIGADE COMBAT TEAM)	2,459	2,459
PHILADELPHIA		
FIELD MAINTENANCE SHOP (STRYKER BRIGADE COMBAT TEAM)	6,207	6,207
READINESS CENTER (STRYKER BRIGADE COMBAT TEAM)	11,925	11,925
AIR NATIONAL GUARD		
HARRISBURG INTERNATIONAL AIRPORT		
EXPAND AIRCRAFT PARKING APRON AND TAXIWAY	---	5,000
ARMY RESERVE		
BELLEFONTE		
ARMY RESERVE CENTER/ORGANIZATIONAL MAINTENANCE SHOP/UNHEATED STORAGE	8,355	8,355
ERIE		
ARMY RESERVE CENTER/ORGANIZATIONAL MAINTENANCE SHOP/UNHEATED STORAGE	9,367	9,367
JOHNSTOWN		
AIRFIELD RUNWAY UPGRADE	---	17,780
RHODE ISLAND		
NAVY		
NEWPORT		
COMBAT TRAINING POOL REPLACEMENT	---	4,870
REPLACEMENT VEHICLE BRIDGE	---	10,620
SOUTH CAROLINA		
ARMY		
FORT JACKSON		
URBAN ASSAULT COURSE	---	1,600
NAVY		
MARINE CORPS AIR STATION BEAUFORT		
MAIN GATE SECURITY IMPROVEMENTS	---	1,480
AIR FORCE		
CHARLESTON AIR FORCE BASE		
ADD/ALTER FITNESS CENTER	2,583	2,583
SHAW AIR FORCE BASE		
MUNITIONS FACILITIES	---	6,300
US CENTRAL COMMAND AIR FORCES COMMUNICATIONS SQUADRON FACILITY	9,730	9,730
DEFENSE-WIDE		
CHARLESTON		
CONSOLIDATED MEDICAL CLINIC	35,000	35,000
ARMY NATIONAL GUARD		
THE CITADEL		
SC NATIONAL GUARD READINESS CENTER	---	10,298
ARMY RESERVE		
GREENVILLE		
ARMY RESERVE CENTER/ORGANIZATIONAL MAINTENANCE SHOP/UNHEATED STORAGE	15,524	15,524
NAVY RESERVE		
CHARLESTON		
MARINE CORPS RESERVE CENTER	6,424	6,424
SOUTH DAKOTA		
AIR FORCE		
ELLSWORTH AIR FORCE BASE		
MAINTENANCE GROUP HEADQUARTERS FACILITY	---	8,400

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
AIR NATIONAL GUARD		
JOE FOSS FIELD		
SECURITY FORCES FACILITY AND COMMUNICATIONS UPGRADE	---	5,500
TENNESSEE		
ARMY NATIONAL GUARD		
TENNESSEE ARMY NATIONAL GUARD HEADQUARTERS READINESS CENTER (PHASE II)	---	23,193
AIR NATIONAL GUARD		
MEMPHIS INTERNATIONAL AIRPORT		
C-5 FUEL CELL MAINTENANCE HANGAR AND SHOP	23,000	23,000
C-5 MAINTENANCE HANGAR AND SHOPS	39,000	39,000
TEXAS		
ARMY		
FORT BLISS		
VEHICLE BRIDGE	---	5,000
FORT HOOD		
BATTALION COMMAND AND CONTROL FACILITIES	6,600	6,600
CENTRAL SHIPPING/RECEIVING POINT	---	6,600
FIRE STATION	4,100	4,100
FIRE STATION (NORTH FORT HOOD)	---	4,650
MULTIPURPOSE SQUAD QUALIFICATION COURSE - SCOUT COMPLEX	8,000	8,000
PHYSICAL FITNESS CENTER	---	6,800
QUALIFICATION TRAINING RANGE	6,093	6,093
VEHICLE MAINTENANCE SHOP	21,645	21,645
FORT SAM HOUSTON		
RENOVATE BARRACKS WINGS AND BATTALION COMMAND AREA	---	7,000
NAVY		
KINGSVILLE		
AIRFIELD LIGHTING (NAVY AUXILIARY LANDING FIELD ORANGE GROVE)	6,010	6,010
T-10 JET ENGINE TEST CELL	---	10,030
AIR FORCE		
GOODFELLOW AIR FORCE BASE		
CHAPEL CENTER	---	4,300
LAUGHLIN AIR FORCE BASE		
AIRCRAFT MAINTENANCE COMPLEX	---	7,900
SHEPPARD AIR FORCE BASE		
STUDENT DORMITORY (300 ROOM)	33,000	33,000
T-6 CONTRACTOR OPERATED MAINTENANCE AND BASE SUPPLY WAREHOUSE	3,000	3,000
DEFENSE-WIDE		
LACKLAND AIR FORCE BASE		
MILITARY WORKING DOG MEDICAL FACILITY REPLACEMENT	11,000	11,000
ARMY RESERVE		
ELLINGTON FIELD		
ARMED FORCES RESERVE AND BATTLE PROJECTION CENTER	---	15,000
GRAND PRAIRIE		
ARMY RESERVE CENTER (PHASE II)	5,685	5,685
AIR FORCE RESERVE		
FORT WORTH		
AIRCRAFT GENERATION FACILITY	---	1,750
UTAH		
ARMY		
DUGWAY PROVING GROUND		
MICHAEL ARMY AIRFIELD RUNWAY (PHASE II)	25,000	25,000
AIR FORCE		
HILL AIR FORCE BASE		
ADD TO SOFTWARE SUPPORT FACILITY	19,500	19,500
CONSOLIDATE MISSILE STORAGE FACILITIES	---	9,800
F/A-22 AIRCRAFT BATTLE DAMAGE REPAIR TRAINING	4,600	4,600
ARMY NATIONAL GUARD		

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
CAMP WILLIAMS		
ADDITION/ALTERATION READINESS CENTER (ARMY DIVISION REDESIGN STUDY)	3,279	3,279
VERMONT		
ARMY NATIONAL GUARD		
CAMP JOHNSON		
INFORMATION SYSTEMS FACILITY	---	5,617
ETHAN ALLEN		
MODIFIED RECORD FIRE RANGE	3,000	3,000
VIRGINIA		
ARMY		
FORT A.P. HILL		
MODIFIED RECORD FIRE RANGE	2,700	2,700
FORT BELVOIR		
DEFENSE ACCESS ROAD (PHASE I)	5,000	5,000
FORT EUSTIS		
DEPLOYMENT STAGING AREA	---	3,100
FORT LEE		
49TH QUARTERMASTER GROUP OPERATIONS STORAGE	---	3,900
FORT MYER		
CHILD DEVELOPMENT CENTER	15,200	15,200
NAVY		
LITTLE CREEK		
REPLACE PIERS AND QUAYWALL	36,034	36,034
NAVAL SURFACE WARFARE CENTER		
ELECTROMAGNETIC RESEARCH AND ENGINEERING FACILITY	---	9,960
NORFOLK		
AIRCRAFT MAINTENANCE HANGAR (MH-60S CV)	21,565	21,565
H60 TRAINER BUILDING	10,680	10,680
PIER 11 REPLACEMENT (PHASE III)	40,200	40,200
SHIP REPAIR PIER 3 REPLACEMENT (PHASE I)	47,729	47,729
OCEANA NAVAL AIR STATION		
F/A-18 FACILITY UPGRADES	11,680	11,680
QUANTICO		
AIRCRAFT PARKING APRON WHITE SIDE	8,031	8,031
AIRCRAFT PARKING APRON - GREEN SIDE	11,667	11,667
HOCKMUTH HALL ADDITION	2,600	4,000
RELIGIOUS AND FAMILY SERVICES CENTER	---	4,270
WHITE SIDE COMPLEX	34,730	34,730
AIR FORCE		
LANGLEY AIR FORCE BASE		
F/A-22 MUNITIONS STORAGE COMPLEX	20,925	20,925
REPAIR PRIMARY PARKING APRON/TAXIWAY	17,740	17,740
REPAIR WEST PARKING APRON/TAXIWAY	---	5,700
DEFENSE-WIDE		
FORT BELVOIR		
ALTER AIR INTAKES	4,500	4,500
HOSPITAL REPLACEMENT (PHASE II)	57,000	57,000
NORFOLK		
REPLACE LUBE OIL TANKS	6,700	6,700
ARMY NATIONAL GUARD		
FORT BELVOIR		
TOTAL ARMY SCHOOL SYSTEM COMPLEX (PHASE I)	13,596	13,596
FORT PICKETT		
MILITARY OPERATIONS ON URBAN TERRAIN (MOUT) SHOOT HOUSE	1,552	1,552
WINCHESTER		
READINESS CENTER	---	7,619
NAVY RESERVE		
OCEANA NAVAL AIR STATION		
C-40 HANGAR	2,259	2,259

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
WASHINGTON		
ARMY		
FORT LEWIS		
BARRACKS COMPLEX	50,000	50,000
BARRACKS COMPLEX - NORTH FORT	49,949	49,949
NAVY		
BANGOR		
ENCLOSE MOTOR TRANSFER FACILITY	2,860	2,860
LIMITED AREA PRODUCTION AND STORAGE COMPLEX (PHASE II)	47,095	47,095
MISSION SUPPORT FACILITY FOR SSBN/SSN	15,780	15,780
NAVAL SURFACE WARFARE CENTER - CARDEROCK DIVISION DETACHMENT CONSOLIDATION (PHASE II)	---	9,430
WATERFRONT SECURITY ENCLAVE	41,520	41,520
EVERETT		
BACHELOR ENLISTED QUARTERS HOMEPORT ASHORE (PHASE I)	49,950	49,950
WHIDBEY ISLAND		
HIGH PERFORMANCE MAGAZINES	---	4,010
AIR FORCE		
FAIRCHILD AIR FORCE BASE		
RESISTANCE TRAINING FACILITY	---	8,200
DEFENSE-WIDE		
FORT LEWIS		
SPECIAL OPERATIONS FORCES AVIATION BATTALION COMPLEX	30,000	30,000
SPECIAL OPERATIONS FORCES EXPAND COMPOUND	18,500	18,500
SPECIAL OPERATIONS FORCES TRAINING FACILITY (SPECIAL WARFARE CENTER AND SCHOOL)	4,800	4,800
WEST VIRGINIA		
ARMY NATIONAL GUARD		
CAMP DAWSON		
READINESS CENTER	---	4,500
AIR NATIONAL GUARD		
EASTERN WEST VIRGINIA REGIONAL AIRPORT - SHEPHERD FIELD		
C-5 CORROSION CONTROL HANGAR	23,000	23,000
C-5 JET FUEL STORAGE/HYDRATION SYSTEM/PARK APRON	20,000	20,000
C-5 SHOP UPGRADES	---	2,000
UPGRADE AND EXTEND RUNWAY	---	17,000
WISCONSIN		
ARMY NATIONAL GUARD		
CAMP WILLIAMS		
READINESS CENTER	5,357	5,357
AIR NATIONAL GUARD		
GENERAL MITCHELL INTERNATIONAL AIRPORT		
UPGRADE COMPOSITE MAINTENANCE SUPPORT COMPLEX	---	7,000
ARMY RESERVE		
FORT MCCOY		
MODIFIED RECORD FIRE RANGE	3,038	3,038
NON-COMMISSIONED OFFICER ACADEMY (PHASE I)	15,405	15,405
PUBLIC SAFETY CENTER	5,365	5,365
SHOOT HOUSE/AFTER ACTION REVIEW/BREACH FACILITY	1,700	1,700
WAUSAU		
ARMY RESERVE CENTER/ORGANIZATIONAL MAINTENANCE SHOP/UNHEATED STORAGE	11,098	11,098
WYOMING		
ARMY NATIONAL GUARD		
CASPER		
READINESS CENTER (ARMY DIVISION REDESIGN STUDY)	2,802	2,802
AIR NATIONAL GUARD		
CHEYENNE MUNICIPAL AIRPORT		
COMPOSITE AIRLIFT SUPPORT COMPLEX	7,000	7,000

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
BAHRAIN ISLAND		
DEFENSE-WIDE		
SOUTHWEST ASIA		
MEDICAL CLINIC ADDITION/ALTERATION	4,750	4,750
GERMANY		
ARMY		
GRAFENWOEHR		
BARRACKS COMPLEX	40,000	40,000
BRIGADE COMPLEX-FORWARD SUPPORT	40,681	40,681
SHOOT HOUSE	1,800	1,800
URBAN ASSAULT COURSE	1,600	1,600
VILSECK		
BARRACKS COMPLEX (PHASE II)	13,600	13,600
AIR FORCE		
RAMSTEIN AIR BASE		
AIRFIELD MAINTENANCE COMPOUND	8,600	8,600
MUNITIONS MAINTENANCE FACILITY	3,050	3,050
SPANGDAHLEM AIR BASE		
CONTROL TOWER	7,100	7,100
LARGE VEHICLE INSPECTION STATION	5,374	5,374
DEFENSE-WIDE		
LANDSTUHL		
LANDSTUHL ELEMENTARY SCHOOL/MIDDLE SCHOOL CLASSROOM ADDITION	5,572	5,572
VILSECK		
VILSECK ELEMENTARY SCHOOL ADDITION AND RENOVATION	2,323	2,323
GREECE		
DEFENSE-WIDE		
SOUDA BAY		
REPLACE FUEL PIPELINE	7,089	7,089
GUAM		
NAVY		
NAVAL BASE GUAM		
ALPHA/BRAVO WHARVES IMPROVEMENTS (PHASE I)	25,584	25,584
AIR FORCE		
ANDERSEN AIR FORCE BASE		
AIR EXPEDITIONARY FORCE FORWARD OPERATING LOCATION MUNITIONS STORAGE IGLOOS	15,000	15,000
REPLACE MILITARY WORKING DOG FACILITY	3,500	3,500
DEFENSE-WIDE		
AGANA NAVAL AIR STATION		
ELEMENTARY SCHOOL/MIDDLE SCHOOL REPLACEMENT	40,578	40,578
ARMY NATIONAL GUARD		
BARRIGADA		
WEAPONS OF MASS DESTRUCTION - CIVIL SUPPORT TEAM READY BUILDING	---	4,852
ITALY		
ARMY		
PISA		
AMMUNITION STORAGE FACILITY	5,254	5,254
AIR FORCE		
AVIANO AIR BASE		
AIR CONTROL SQUAD WAREHOUSE	7,800	7,800
CONSOLIDATED SUPPORT CENTER FACILITY	10,850	10,850
FAMILY SUPPORT CENTER	4,010	4,010
KOREA		
ARMY		
CAMP HUMPHREYS		
BARRACKS COMPLEX	28,000	25,000
BARRACKS COMPLEX	45,637	42,637
BARRACKS COMPLEX	40,525	37,525

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
YONGPYONG		
URBAN ASSAULT COURSE	1,450	1,450
AIR FORCE		
KUNSAN AIR BASE		
CONSOLIDATED PERSONNEL PROCESS/THEATER FACILITY	6,800	6,800
DORMITORY (382 ROOM)	44,100	41,100
OSAN AIR BASE		
ADD/ALTER SQUADRON OPERATIONS/APPLIED METEOROLOGY UNIT FACILITY	18,969	18,969
DORMITORY (156 ROOM)	21,750	18,750
DEFENSE-WIDE		
TAEGU AIR BASE		
ELEMENTARY/HIGH SCHOOL REPLACEMENT/ADDITION	8,231	8,231
KWAJALEIN		
DEFENSE-WIDE		
KWAJALEIN ATOLL		
EMERGENCY SERVICES FACILITY, MECK ISLAND	4,901	4,901
PORTUGAL		
AIR FORCE		
LAJES FIELD		
FIRE/CRASH RESCUE STATION	12,000	12,000
PUERTO RICO		
ARMY RESERVE		
CAMP SANTIAGO		
MODIFIED RECORD FIRE RANGE	2,000	2,000
SPAIN		
DEFENSE-WIDE		
ROTA		
ROTA ELEMENTARY SCHOOL AND HIGH SCHOOL MULTIPURPOSE BUILDING	7,963	7,963
TURKEY		
AIR FORCE		
INCIRLIK AIR BASE		
CONSOLIDATED COMMUNICATIONS FACILITY	5,780	5,780
UNITED KINGDOM		
AIR FORCE		
ROYAL AIR FORCE MILDENHALL		
BASE ENGINEER COMPLEX	13,500	13,500
ROYAL AIR FORCE LAKENHEATH		
SMALL DIAMETER BOMB MAINTENANCE FACILITY	2,625	2,625
SMALL DIAMETER BOMB STORAGE IGLOO AND ADDITION	2,500	2,500
DEFENSE-WIDE		
MENWITH HILL STATION		
OPERATIONS/TECH BUILDING	41,697	41,697
NORTH ATLANTIC TREATY ORGANIZATION (NATO)		
NATO SECURITY INVESTMENT PROGRAM (NSIP)	206,858	206,858
RESCISSION (P.L. 108-324)	---	-30,000
WORLDWIDE UNSPECIFIED		
ARMY		
UNSPECIFIED WORLDWIDE LOCATIONS		
PLANNING AND DESIGN	161,393	170,021
UNSPECIFIED MINOR CONSTRUCTION	20,000	24,141
OVERHEAD COVER SYSTEMS	---	50,000
RESCISSION (P.L. 107-249)	---	-3,046
RESCISSION (P.L. 108-324)	---	-16,700

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
NAVY		
UNSPECIFIED WORLDWIDE LOCATIONS		
PLANNING AND DESIGN	29,512	34,893
WHARF UPGRADE	39,019	14,000
RESCISSION (P.L. 108-132)	---	-5,767
RESCISSION (P.L. 108-324)	---	-44,270
AIR FORCE		
UNSPECIFIED WORLDWIDE LOCATIONS		
PLANNING AND DESIGN	79,047	95,537
UNSPECIFIED MINOR CONSTRUCTION	15,000	15,929
RESCISSION (P.L. 108-11)	---	-13,000
RESCISSION (P.L. 108-132)	---	-6,600
RESCISSION (P.L. 108-324)	---	-9,500
DEFENSE-WIDE		
UNSPECIFIED WORLDWIDE LOCATIONS		
CONTINGENCY CONSTRUCTION (UNDD)	10,000	---
RESCISSION (P.L. 108-324)	---	-20,000
ENERGY CONSERVATION IMPROVEMENT PROGRAM (UNDD)	60,000	50,000
PLANNING AND DESIGN		
SPECIAL OPERATIONS COMMAND	15,575	16,573
UNDISTRIBUTED	26,110	26,437
NATIONAL GEOSPATIAL INTELLIGENCE AGENCY	24,000	24,000
TRICARE MANAGEMENT ACTIVITY	65,000	65,000
DEPARTMENT OF DEFENSE DEPENDENT EDUCATION	1,096	1,096
NATIONAL SECURITY AGENCY	3,300	3,300
SUBTOTAL, PLANNING AND DESIGN	135,081	136,406
UNSPECIFIED MINOR CONSTRUCTION		
SPECIAL OPERATIONS COMMAND	2,000	2,000
TRICARE MANAGEMENT ACTIVITY	3,193	3,193
THE JOINT STAFF	7,543	7,543
UNDISTRIBUTED	3,000	3,000
SUBTOTAL, UNSPECIFIED MINOR CONSTRUCTION	15,736	15,736
ARMY NATIONAL GUARD		
UNSPECIFIED WORLDWIDE LOCATIONS		
PLANNING AND DESIGN	46,148	64,955
UNSPECIFIED MINOR CONSTRUCTION	7,646	15,313
AIR NATIONAL GUARD		
UNSPECIFIED WORLDWIDE LOCATIONS		
PLANNING AND DESIGN	12,856	26,635
UNSPECIFIED MINOR CONSTRUCTION	5,000	6,882
RESCISSION (P.L. 108-324)	---	-13,700
ARMY RESERVE		
UNSPECIFIED WORLDWIDE LOCATIONS		
PLANNING AND DESIGN	14,416	15,857
UNSPECIFIED MINOR CONSTRUCTION	2,979	2,979
NAVY RESERVE		
UNSPECIFIED WORLDWIDE LOCATIONS		
PLANNING AND DESIGN	2,978	3,166
UNSPECIFIED MINOR CONSTRUCTION	---	750
RESCISSION (P.L. 108-132)	---	-5,368
RESCISSION (P.L. 108-324)	---	-11,192
AIR FORCE RESERVE		
VARIOUS WORLDWIDE LOCATIONS		
PLANNING AND DESIGN	3,770	5,343
UNSPECIFIED MINOR CONSTRUCTION	4,000	4,000
RESCISSION (P.L. 108-324)	---	-13,815
TOTAL, WORLDWIDE UNSPECIFIED	664,581	589,585

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
FAMILY HOUSING, ARMY		
ALASKA		
FORT RICHARDSON (117 UNITS)	49,000	49,000
FORT WAINWRIGHT (96 UNITS)	49,000	49,000
FORT WAINWRIGHT (84 UNITS)	42,000	42,000
ARIZONA		
FORT HUACHUCA (131 UNITS)	31,000	31,000
YUMA (35 UNITS)	11,200	11,200
OKLAHOMA		
FORT SILL (129 UNITS)	24,000	24,000
VIRGINIA		
FORT LEE (96 UNITS)	19,500	19,500
FORT MONROE (21 UNITS)	6,000	6,000
CONSTRUCTION IMPROVEMENTS	300,400	300,400
PLANNING AND DESIGN	17,536	17,536
RESCISSION (P.L. 108-324)	---	-16,000
SUBTOTAL, CONSTRUCTION	549,636	549,636
OPERATION AND MAINTENANCE		
UTILITIES ACCOUNT	131,860	131,860
SERVICES ACCOUNT	28,718	28,718
MANAGEMENT ACCOUNT	68,188	68,188
MISCELLANEOUS ACCOUNT	1,345	1,345
FURNISHINGS ACCOUNT	39,465	39,465
LEASING	213,990	213,990
MAINTENANCE OF REAL PROPERTY	309,123	300,123
PRIVATIZATION SUPPORT COSTS	20,304	20,304
SUBTOTAL, OPERATION AND MAINTENANCE	812,993	803,993
TOTAL, FAMILY HOUSING, ARMY	1,362,629	1,353,629
FAMILY HOUSING, NAVY AND MARINE CORPS		
GUAM		
NAVAL BASE GUAM		
GUAM (126 UNITS)	40,298	40,298
CONSTRUCTION IMPROVEMENTS	178,644	178,644
SUBTOTAL, CONSTRUCTION	218,942	218,942
OPERATION AND MAINTENANCE		
UTILITIES ACCOUNT	97,841	97,841
FURNISHINGS ACCOUNT	20,189	20,189
MANAGEMENT ACCOUNT	81,924	76,924
SERVICES ACCOUNT	45,421	45,421
LEASING	143,790	143,790
MAINTENANCE OF REAL PROPERTY	186,511	186,511
MORTGAGE INSURANCE PREMIUM	56	56
PRIVATIZATION SUPPORT COSTS	17,928	17,928
SUBTOTAL, OPERATION AND MAINTENANCE	593,660	588,660
TOTAL, FAMILY HOUSING, NAVY AND MARINE CORPS	812,602	807,602
FAMILY HOUSING, AIR FORCE		
ALASKA		
EIELSON AIR FORCE BASE (92 UNITS)	37,650	37,650
EIELSON AIR FORCE BASE (300 UNITS)	18,144	18,144
CALIFORNIA		
EDWARDS AIR FORCE BASE (226 UNITS)	59,699	59,699

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
DISTRICT OF COLUMBIA		
BOLLING AIR FORCE BASE (159 UNITS)	48,711	---
FLORIDA		
MACDILL AIR FORCE BASE (PHASE VII) (109 UNITS)	40,982	40,982
IDAHO		
MOUNTAIN HOME AIR FORCE BASE (PHASE VII) (194 UNITS)	56,467	56,467
MISSOURI		
WHITEMAN AIR FORCE BASE (111 UNITS)	26,917	26,917
MONTANA		
MALMSTROM AIR FORCE BASE (296 UNITS)	68,971	68,971
NORTH CAROLINA		
SEYMOUR JOHNSON AIR FORCE BASE (PHASE IX) (255 UNITS)	48,868	48,868
NORTH DAKOTA		
GRAND FORKS AIR FORCE BASE (PHASE J) (300 UNITS)	86,706	43,353
MINOT AIR FORCE BASE (PHASE XII) (223 UNITS)	44,548	44,548
SOUTH CAROLINA		
CHARLESTON AIR FORCE BASE (10 UNITS)	15,935	15,935
SOUTH DAKOTA		
ELLSWORTH AIR FORCE BASE (60 UNITS)	14,383	14,383
TEXAS		
DYESS AIR FORCE BASE (PHASE VI) (190 UNITS)	43,016	43,016
GERMANY		
RAMSTEIN AIR BASE (101 UNITS)	62,952	62,952
SPANGDAHLEM AIR BASE (79 UNITS)	45,385	45,385
TURKEY		
INCIRLIK AIR BASE (100 UNITS)	22,730	22,730
UNITED KINGDOM		
ROYAL AIR FORCE LAKENHEATH (107 UNITS)	48,437	48,437
CONSTRUCTION IMPROVEMENTS	420,203	366,346
PLANNING AND DESIGN	40,404	37,104
RESCISSION (P.L. 107-249)	---	-7,700
RESCISSION (P.L. 108-132)	---	-4,500
RESCISSION (P.L. 108-324)	---	-31,700
SUBTOTAL, CONSTRUCTION	1,251,108	1,101,887
OPERATION AND MAINTENANCE		
UTILITIES ACCOUNT	116,946	116,946
MANAGEMENT ACCOUNT	78,090	78,090
SERVICES ACCOUNT	25,740	25,740
FURNISHINGS ACCOUNT	41,932	41,932
MISCELLANEOUS ACCOUNT	2,407	2,407
LEASING	154,907	154,907
MAINTENANCE OF REAL PROPERTY	310,479	310,479
DEBT ACCOUNT	1	1
PRIVATIZATION SUPPORT COSTS	36,437	36,437
SUBTOTAL, OPERATION AND MAINTENANCE	766,939	766,939
TOTAL, FAMILY HOUSING, AIR FORCE	2,018,047	1,868,826

FAMILY HOUSING, DEFENSE-WIDE

OPERATION AND MAINTENANCE		
UTILITIES ACCOUNT (NATIONAL SECURITY AGENCY)	7	7
FURNISHINGS ACCOUNT (NSA)	25	25
LEASING (NSA)	9,814	9,814
MAINTENANCE OF REAL PROPERTY (NSA)	1,134	1,134
FURNISHINGS ACCOUNT (DEFENSE INTELLIGENCE AGENCY)	4,031	4,031
LEASING (DIA)	30,130	30,130
UTILITIES ACCOUNT (DEFENSE LOGISTICS AGENCY)	427	427
FURNISHINGS ACCOUNT (DLA)	40	40

MILITARY CONSTRUCTION
(AMOUNTS IN THOUSANDS)

	BUDGET REQUEST	CONFERENCE AGREEMENT
SERVICES ACCOUNT (DLA)	80	80
MANAGEMENT ACCOUNT (DLA)	299	299
MAINTENANCE OF REAL PROPERTY (DLA)	404	404
TOTAL, FAMILY HOUSING, DEFENSE-WIDE	46,391	46,391
DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND		
DEPARTMENT OF DEFENSE FAMILY HOUSING IMPROVEMENT FUND	2,500	2,500
BASE REALIGNMENT AND CLOSURE ACCOUNT		
BASE REALIGNMENT AND CLOSURE ACCOUNT, 1990	377,827	254,827
BASE REALIGNMENT AND CLOSURE ACCOUNT, 2005	1,880,466	1,504,466
TOTAL, BASE RELIGNMENT AND CLOSURE ACCOUNT	2,258,293	1,759,293
GENERAL PROVISION		
GENERAL PROVISION (SEC. 122)	65,000	---
GRAND TOTAL	12,116,611	12,166,611

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 2006 recommended by the Committee of Conference, with comparisons to the fiscal year 2005 amount, the 2006 budget estimates, and the House and Senate bills for 2006 follow:

[In thousands of dollars]

New budget (obligational) authority, fiscal year 2005	$78,799,417
Budget estimates of new (obligational) authority, fiscal year 2006	81,726,037
House bill, fiscal year 2006	80,531,818
Senate bill, fiscal year 2006	82,984,618
Conference agreement, fiscal year 2006	82,573,514
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 2005	+3,774,097
Budget estimates of new (obligational) authority, fiscal year 2006	+847,477
House bill, fiscal year 2006	+2,041,696
Senate bill, fiscal year 2006	−411,104

JAMES T. WALSH,
ROBERT B. ADERHOLT,
ANNE M. NORTHUP,
MICHAEL K. SIMPSON,
ANDER CRENSHAW,
C.W. BILL YOUNG,
MARK STEVEN KIRK,
DENNIS R. REHBERG,
JOHN CARTER,
JERRY LEWIS,
CHET EDWARDS,
SAM FARR,
ALLEN BOYD,
SANFORD D. BISHOP, Jr.,
DAVID E. PRICE,
ROBERT E. CRAMER, Jr.,
DAVID R. OBEY.

Managers on the Part of the House.

KAY BAILEY HUTCHISON,
CONRAD BURNS,
LARRY CRAIG,
MIKE DEWINE,
SAM BROWNBACK,
WAYNE ALLARD,
MITCH MCCONNELL,
THAD COCHRAN,
DIANNE FEINSTEIN,
DANIEL K. INOUYE,
TIM JOHNSON,
MARY L. LANDRIEU,
ROBERT C. BYRD,
PATTY MURRAY,
PATRICK LEAHY.

Managers on the Part of the Senate.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 3058, TRANSPORTATION, TREASURY, HOUSING AND URBAN DEVELOPMENT, THE JUDICIARY, THE DISTRICT OF COLUMBIA, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2006

Mr. WALSH. Mr. Speaker, I ask unanimous consent that the managers on the part of the House have until 6:30 a.m., November 18, 2005, to file the conference report to accompany H.R. 3058.

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

There was no objection.

REPORT ON RESOLUTION WAIVING REQUIREMENT OF CLAUSE 6(a) OF RULE XIII WITH RESPECT TO CONSIDERATION OF CERTAIN RESOLUTIONS

Mr. GINGREY, from the Committee on Rules, submitted a privileged report (Rept. No. 109–306) on the resolution (H. Res. 563) waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules, which was referred to the House Calendar and ordered to be printed.

PLACEMENT OF STATUE OF ROSA PARKS IN NATIONAL STATUARY HALL

Mr. NEY. Mr. Speaker, I ask unanimous consent that the Committee on House Administration be discharged from further consideration of the bill (H.R. 4145) to direct the Architect of the Capitol to obtain a statue of Rosa Parks and to place the statue in the United States Capitol in National Statuary Hall, and ask for its immediate consideration in the House.

The Clerk read the title of the bill.

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

Ms. MILLENDER-MCDONALD. Mr. Speaker, reserving the right to object, I yield to the gentleman from Ohio to explain the purpose of this legislation.

Mr. NEY. Mr. Speaker, I rise today in support of House Resolution 4145, a bill to direct the Joint Committee on the Library to obtain a statue of Rosa Parks and to place the statue in the United States Capitol in National Statuary Hall.

Mr. Speaker, Mrs. Rosa Louise Parks is widely recognized as the mother of the civil rights movement. She did the unthinkable on December 1, 1955, when she refused to give up her seat on that bus in segregated Montgomery, Alabama. However, it was this simple act that inspired a young reverend, Martin Luther King, Jr., to lead a 381-day boycott of that city's bus system, thus providing the spark to ignite the civil rights movement.

Before she provided the inspiration for the civil rights movement, she was already working to break down the decades of Jim Crow laws by being an active member in the local Montgomery chapter of the NAACP. In 1992, she explained why she did not give up her seat that day. ''The real reason of my not standing up was I felt that I had a right to be treated as any other passenger. We had endured that kind of treatment for too long.''

In the aftermath of the boycott, Mrs. Parks and her husband found it difficult to find work and endured a hostile environment in Alabama. Therefore, she and her husband Raymond Parks moved north to Detroit in 1957. A year after my colleague from Michigan, Representative JOHN CONYERS, was first elected to the House, he made the brilliant decision to hire Mrs. Parks as a legislative aide. She worked for him until her retirement in 1988. By then she had founded the Rosa and Raymond Parks Institute for Self-Development. This nonprofit organization is committed to working with Detroit's youth to build leadership skills and inspire them to continue her work on civil and human rights. She spent the remainder of her life's work focusing on this organization.

In 1999, the United States Congress first honored Mrs. Parks in the Rotunda of the Capitol by awarding her with the Congressional Gold Medal, our Nation's highest expression of national appreciation for distinguished achievements and contributions. Just 2 weeks ago, the United States Congress honored Mrs. Parks in the Rotunda again by allowing the Nation to pay its final respects to this great and unique American by allowing her remains to lie in honor in the Rotunda. The United States Congress should eternally recognize the significant contribution she made in advancing civil and human rights in this country.

Mr. Speaker, I can think of no better way than by commissioning a statue of Mrs. Parks and placing it in National Statuary Hall. I want to commend JESSE JACKSON, Jr., of Illinois, MIKE ROGERS of Alabama, and all the Members that have signed on to this important house resolution. I want to thank our ranking member, JUANITA MILLENDER-MCDONALD of California, for her work on this to expedite it and the Speaker of the House and his staff and the staff of House Administration on both sides to make sure that this moved as fast as it could here. It is important, because I think that Rosa Lee Parks did something for every American in this country that day. I think it is something that we all recognize changed the entire nature of the country. I think that placing the statue in Statuary Hall is a great and deserving honor. Again I want to thank JESSE JACKSON, Jr., and MIKE ROGERS for this fine resolution.

Ms. MILLENDER-MCDONALD. Mr. Speaker, further reserving the right to object, I rise to join the chairman in support of this resolution which would allow a statue of the late Rosa Louise Parks to be placed in the U.S. Capitol. I would first like to congratulate my colleague from Illinois, JESSE JACKSON, Jr., and his partner, MIKE ROGERS, for their hard work in building the ground swell of support which this bill has as well as thanks to the chairman of the Committee on House Administration, my colleague, Mr. NEY; the Speaker; and the distinguished Democratic leader, NANCY PELOSI, for working so diligently with me to bring this bill to the floor.

Rosa Louise Parks was a great woman who simply sat down in order for us to stand up here today. I believe that it is only fitting that we honor this great American by placing a life-sized statue of her in the U.S. Capitol

for all to see. I urge my colleagues to bestow upon Rosa Louise Parks this honor and include among the collection of statues here in the Capitol the very first statue of an African American woman. Support this resolution in honor of the mother of the civil rights movement, Rosa Louise Parks. Once this bill has been passed by Congress and has been signed into law, I look forward to my role as a member of the Joint Committee on the Library in overseeing the commissioning of the statue. It will be a high honor for me to be part of this effort to further pay tribute and honor to this heroine of mine and to all Americans who is also from my home State of Alabama.

Mr. Speaker, I would like to now yield to the distinguished Democratic leader, the Honorable NANCY PELOSI.

Ms. PELOSI. Mr. Speaker, I thank the gentlewoman for yielding and I thank her for her leadership on this very important matter. I want to join Congresswoman MILLENDER-MCDONALD in applauding the Speaker for making this accommodation so the legislation could move quickly and be enacted into law and that the statue hopefully soon will be standing in Statuary Hall and so that this law can be passed in time for the 50th anniversary of Rosa Parks' courageous action which occurs in December.

I want to join Congresswoman MILLENDER-MCDONALD in commending the gentleman from Ohio (Mr. NEY) as well and our distinguished colleague, Mr. JESSE JACKSON, Jr., who was the author of this legislation. By the time we all got to Rosa Parks funeral, we already had over 100 cosponsors of the bill and this action tonight will deliver on the promise that many of us made at that funeral. I considered it a great privilege to speak there. On behalf of the Democrats and the Republicans in the Congress, I said that we would soon have a promised statue in the Capitol. Congressman JOHN CONYERS of Detroit has been a godfather to all of this effort and he deserves a great deal of recognition and credit for this.

I said at the time that Rosa Parks loved young people. That was her focus. While we were all praising her for her past actions, she was always concerned about the impact on the future for America's children. She was the mother of the modern civil rights movement. She was the mother of modern society because she made such a change in America with her courage. She came to the Capitol to receive the Congressional Gold Medal. It was a proud day for all of us. She brought luster to that award by accepting it. She came here, as was mentioned, to lie in state, the first woman to lie in state in the Rotunda of the Capitol and she will return to the Capitol in a statue to be an ongoing inspiration.

We in Congress think we have a special relationship with Rosa Parks. She will live here with us as a constant inspiration of her courage and inspiration to future generations. When they visit the Capitol they will be sure to see, observe and be inspired by the life, the courage and the incredible contribution of Rosa Parks. I commend all of my colleagues, Congresswoman MILLENDER-MCDONALD, Congressman CONYERS, and Congressman JACKSON for their role in making this possible. It is an honor to be part of this effort. I look forward to the day when all of us can converge on this Capitol for the unveiling of this magnificent statue.

□ 0200

Ms. MILLENDER-MCDONALD. Thank you so much, Madam Leader.

Mr. Speaker, further reserving the right to object, I yield to the godfather, the Honorable JOHN CONYERS.

Mr. CONYERS. Mr. Speaker, I thank the gentlewoman from California for yielding to me. This is a proud, especially pleasing evening for me. There has been so much outpouring of affection and respect and understanding of the contribution of Rosa Louise Parks that I am absolutely amazed by it and flattered by it.

Here is a woman who was, true, honored during her lifetime in many unusual ways; but it seems to me, and I think the leaders here on the floor tonight are especially cognizant of them, I know that they were all at one or more of the memorial services. First of all, she had three in three different States, in which Presidents, past Presidents, members of the Federal Government and religious leaders of all faiths came together.

I must say, I have been astounded by the outpouring of affection and recognition for her contributions. I want to thank the gentleman from Ohio (Mr. NEY) for the incredible devotion and dedication he has put behind the resolution that we are taking up tonight. I appreciate it so much.

We, of course, appreciate the author, the gentleman from Illinois (Mr. JACKSON), because his father played such a critical role in the development of the civil rights movement and its continuation. He has a story that I never ask him to repeat too much, because I was the one that introduced Reverend Jesse Jackson to Dr. Martin Luther King in Chicago. I had no idea of the momentous consequences that were going to flow from that.

The fact of the matter is that Rosa Parks had no idea that the consequences of her determination to end this form of segregation, which she despised so much, was going to have the consequences that flowed from it, namely, that it would bring Martin Luther King, Jr., into the picture and recreate the modern civil rights movement.

I am very pleased to be here. I wanted to just close by thanking all of the Members of Congress and the other body who came to the memorial service. I see everyone on the floor here attended that service in Detroit at Greater Grace Church, where we had a tremendous turnout, just as there was in Washington D.C., not only at the church, but at the rotunda itself, and even before that in Montgomery, Alabama.

I have been so renewed in my faith in my civil rights struggle by the way the Members of the Congress, through many other legislative acts, and now this one, have responded to this great person who will now take her place in history in a way that I think will keep the memory of her contributions to the civil rights movement alive.

I again express my thanks to the author of this resolution, Mr. JACKSON, and the leaders, both the chairman and the ranking member of the subcommittee.

Ms. MILLENDER-MCDONALD. Mr. Speaker, I would now like to yield to the gentlewoman from Texas (Ms. JACKSON-LEE).

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the gentlewoman very much for yielding. What a special time and a moment. I know that our preference would be to be able to sing praises and to salute Rosa Parks for a very long time on this floor. I think it is important that we have the opportunity to hear from the author of this legislation.

I might share just a few moments of appreciation to you, Madam Ranking Member, for steadfastness and perseverance and the swift hand and the partnership you have with the chairman of this committee, who has, through his own love of history, managed to create more history in this Congress over the last sessions of his tenure as chairman with the hanging of a number of paintings. Now he joins in the celebratory announcement of the placing of the statue of Rosa Parks in the National Statuary Hall of the United States Congress.

Just as a reminder for those of us who grew up just a few short years ago, I can tell you that there was much lacking in the study of African American history in our school books. In fact, I might say to you that through my primary and secondary training, and primary and secondary schools, there was no study of African American history. I might say that there was Black History Month, yes, and there would be little cutout features and stories, maybe; but when I opened the book, I could not find the place that would tell me the story of a Rosa Parks or Martin Luther King or maybe even W.E.B. DuBois.

This legislation today has a special place for all of America. Rosa Parks's history is well known. We know that she first sat down in the back of a bus and then moved to the front of the bus so that others might stand and others might run and others might win. We know that she left Montgomery, Alabama; but I think we should be well aware that she left because there was no place for her there. The chiding, the chastising, the attacks on her life, the threats forced her to leave and go to Detroit, Michigan and what a refuge to

find the Honorable JOHN CONYERS where she could find refuge in a job that lasted her until her retirement.

Then the founding of the Raymond and Rosa Parks Institute focused on one issue, and we heard it over and over again in the funeral services, and that was to help children. So it is appropriate that the Honorable JESSE JACKSON and MIKE ROGERS would come to the floor with this great legislation. The history of Jesse Jackson and his family but also his history of himself and being a student of history and recognizing the value of the Constitution and the presence of the 13th, 14th, and 15th amendments that freed us from slavery, also gave us equal rights that Rosa Parks had so much of that that she deserved this honor. I might say to you that one of the themes that came out of her funeral was that when there was trouble, there was wrongness, Rosa Parks stood in the way.

□ 0215

I hope that this statue symbolizes the importance of America never forgetting her history. Rosa Parks was long-standing, determined, persistent, a demeanor that lit the world but also set the world on the right path.

We must remember Rosa Parks because, in fact, she brought about the ending of an America that was locked in the shackles of segregation. America was held hostage by discrimination, but it was through her determination and commitment and courageousness that she was able to break the shackles of segregation in a Nation that had found itself locked and forever committed to such a terrible way.

So I am excited about the fact that this legislation is on the floor, but more importantly, it will mean that no child that lives in America will ever have to worry about a history book that does not recount the story of Rosa Parks. For all they need do is come to the United States Congress as they have done over the years in school trips with their parents, with church groups and parishes and synagogues and mosques and simply walk up those steps and walk into Statuary Hall and look up and there at a statue of Rosa Parks and her story will be told.

This is a great day for America. It is a great day for the history of this Nation. It is a great day for our children.

I thank the gentleman from Illinois (Mr. JACKSON) for his leadership, and the gentleman from Alabama (Mr. ROGERS), the gentleman from Ohio (Mr. NEY), and the gentlewoman from California (Ms. MILLENDER-MCDONALD). It is a great day for America.

Ms. MILLENDER-MCDONALD. It is an honor to see a new generation emerge, one who is walking in the footsteps of his own father. It is great to have the co-author of this legislation here. Mr. Speaker, I yield to the gentleman from Illinois (Mr. JACKSON).

Mr. JACKSON of Illinois. Mr. Speaker, let me thank the gentlewoman from California (Ms. MILLENDER-MCDONALD) for yielding.

At the outset, I would like to thank the gentleman from Illinois (Mr. HASTERT) and his staff, specifically Ted Van Der Meid, the majority leader, the gentleman from Missouri (Mr. BLUNT), the minority leader, the gentlewoman from California (Ms. PELOSI) and her staff, specifically Jerry Hartz, Lorraine Miller and William Little.

This legislation simply would not be possible without the leadership of the gentleman from Ohio (Mr. NEY), the chairman of the House Administration Committee, and his staff, their extraordinary steadfastness and leadership for which we are all grateful, along with the ranking member, the gentlewoman from California (Ms. MILLENDER-MCDONALD) and her staff, specifically George Shevlin and Matt Pinkus.

I especially want to thank my new friend and co-sponsor, the gentleman from Alabama (Mr. ROGERS) who, along with his staff, worked closely with me and my staff to garner support for this bill. I would like to thank the more than 200 bipartisan co-sponsors of this bill.

Mr. Speaker, it is my privilege to rise today to speak on this very important legislation that will honor the life and work of the late Mrs. Rosa Parks by placing a statue of her in National Statuary Hall. Everyone knows the story of how Mrs. Parks helped spark the modern civil rights movement when she refused to give up her seat on a legally segregated bus that fateful day, December 1, 1955, leading to the Montgomery bus boycott and the emergence of Martin Luther King, Jr.

From the beginning Mrs. Parks led a life dedicated to social change, becoming an active member of the Montgomery, Alabama chapter of the NAACP which in the 1940s and 1950s was considered a dangerous organization. It could cost you your job and even your life.

In 1943, along with State president of the NAACP, she mobilized a historic voter registration drive in Montgomery and was later elected NAACP chapter secretary. Mrs. Parks was a courageous woman who possessed the firm and quiet strength necessary to challenge injustice.

Following the 1954 Brown Supreme Court decision which provided equal protection under the law's legal framework, her refusal to give up her seat eventually led to the 1964 Civil Rights Act, the 1965 Voting Rights Act, the 1968 Open Housing Act, all of which helped make America a better Nation.

Rosa Parks remained a committed activist until the end of her life. In the 1980s, she worked in support of the South African anti-apartheid movement, and in Detroit in 1997 she founded the Rosa and Raymond Parks Institute for Self-Development, a career counseling center for African American youth.

With dignity, with grace and courage Rosa Parks inspired generations and helped to make the world a more just and compassionate place. In life she received the Presidential Medal of Freedom in 1996 and the Congressional Gold Medal in 1999, the highest honors our Nation bestows on civilians.

This placing of a Rosa Parks statue in National Statuary Hall is a testament to the fact that the long arc of history bends towards freedom, justice and equality.

When Statuary Hall was created by law in 1864, African Americans could not be citizens of the United States. Indeed, the term ''African Americans'' did not exist. Under that law it was impossible for us to be considered favorite sons and favorite daughters of States. When Rosa Parks takes her place in Statuary Hall, she takes with her Frederick Douglass. She takes with her the United States coloreds troops. She takes with her Harriet Tubman and Sojourner Truth. She takes them there.

She takes with her countless, nameless people of African descent, who from slavery to today, sacrificed for an America many would never live to see.

As Dr. Martin Luther King, Jr., who half statue is not Statuary Hall would implore us, Now is the time.

Let me once again, Mr. Speaker, close by thanking the many people who have worked so hard on a bipartisan basis to bring this bill to the floor. The gentleman from Ohio (Mr. NEY), the gentlewoman from California (Ms. MILLENDER-MCDONALD), House leadership, the minority leader, the gentlewoman from California (Ms. PELOSI) and the gentleman from Maryland (Mr. HOYER). Their staffs, Jerry Hartz, Lorraine Miller, William Little. The staff of the gentlewoman from California (Ms. MILLENDER-MCDONALD), specifically George Shevlin and Matt Pinkus. And also in his absence, the distinguished gentleman from Alabama (Mr. ROGERS), who, along with his staff, made it very possible for this bill to be on the floor today.

I would also like to thank Senator KERRY and his staff for introducing the companion bill in the other body and Senators McConnell and Dodd for their leadership on this important issue.

From my staff, Mr. Charles Dujon and Sandi Pessin who have labored late into the night to make the co-sponsors of this legislation comfortable with the language that places Mrs. Parks in National Statuary Hall. Again, I thank my colleagues for their support. I urge Members to join me in honoring this extraordinary woman and voting yes on this important legislation.

Ms. MILLENDER-MCDONALD. Mr. Speaker, this shows that the future generations will have hope now in this young Member of Congress.

Mr. Speaker, further reserving the right to object, I rise in strong support of this bill to honor an individual who chose to assert her civil rights and her human rights at a critical moment in our history and by doing so she has changed America forever.

I would like to thank my chairman, the gentleman from Ohio (Mr. NEY) for his devotion, his steadfastness, his

dedication, and his commitment to all people. I would like to thank all of those, the leadership of the House on both sides, for ushering this bill to the floor.

Rosa Louise Parks richly deserves this honor.

Mr. Speaker, further reserving the right to object, I yield to the gentleman from Ohio.

Mr. NEY. Mr. Speaker, I just wanted to say again thank you to everyone, George Shevlin, Paul Vinovich of our staff, Ted Van Der Meid and also to the gentleman from Illinois (Mr. JACKSON) and the gentleman from Alabama (Mr. ROGERS) for doing this and, of course, to our ranking member.

We have had a lot of firsts recently in the short tenure of our ranking member. We have had the African American Museum. We have had the portrait of Mr. Ray, and we are about to embark on some other portraits, and also the first female Member and the first Hispanic Member. I think it is commendable to the House to look at the great diversity of our country.

Another thank you tonight. Thank you to Rosa Parks for what she did for this Nation.

I just want to close my comments with when I studied African American history, I can remember a quote that I had learned and I used it for years in many events and occasions because it fits in with just about anything you do, whether you are a soldier fighting or somebody struggling for civil rights. It is by Langston Hughes, a great African American poet and author, who said, ''Dream your dreams but be willing to pay the sacrifice to make them come true.''

Rosa Parks was a little woman with a big ball of thunder that day and courage, and she dreamed her dream of an America that cared about all its people in an equal way, and she paid a sacrifice to make that dream come true.

Ms. MILLENDER-McDONALD. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore (Mr. KUHL of New York). Is there objection to the request of the gentleman from Ohio?

There was no objection.

The Clerk read the bill, as follows:

H.R. 4145

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

SECTION 1. PLACEMENT OF STATUE OF ROSA PARKS IN NATIONAL STATUARY HALL.

(a) OBTAINING STATUE.—The Architect of the Capitol shall enter into an agreement to obtain a statue of Rosa Parks, under such terms and conditions as the Architect considers appropriate consistent with applicable law.

(b) PLACEMENT.—Not later than 2 years after the date of the enactment of this Act, the Architect shall place the statue obtained under subsection (a) in the United States Capitol in a suitable permanent location in National Statuary Hall.

SEC. 2. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act, and any amounts so appropriated shall remain available until expended.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. NEY

Mr. NEY. Mr. Chairman, I offer an amendment in the nature of a substitute.

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. NEY:

Strike all after the enacting clause and insert the following:

SECTION 1. PLACEMENT OF STATUE OF ROSA PARKS IN NATIONAL STATUARY HALL.

(a) OBTAINING STATUE.—Not later than 2 years after the date of the enactment of this Act, the Joint Committee on the Library shall enter into an agreement to obtain a statue of Rosa Parks, under such terms and conditions as the Joint Committee considers appropriate consistent with applicable law.

(b) PLACEMENT.—The Joint Committee shall place the statue obtained under subsection (a) in the United States Capitol in a suitable permanent location in National Statuary Hall.

SEC. 2. ELIGIBILITY FOR PLACEMENT OF STATUES IN NATIONAL STATUARY HALL.

(a) ELIGIBILITY.—No statue of any individual may be placed in National Statuary Hall until after the expiration of the 10-year period which begins on the date of the individual's death.

(b) EXCEPTIONS.—Subsection (a) does not apply with respect to—

(1) the statue obtained and placed in National Statuary Hall under this Act; or

(2) any statue provided and furnished by a State under section 1814 of the Revised Statutes of the United States (2 U.S.C. 2131) or any replacement statue provided by a State under section 311 of the Legislative Branch Appropriations Act, 2001 (2 U.S.C. 2132).

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated such sums as may be necessary to carry out this Act, and any amounts so appropriated shall remain available until expended.

Mr. NEY (during the reading). Mr. Speaker, I ask unanimous consent that the amendment in the nature of a substitute be considered as read and printed in the RECORD.

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

There was no objection.

The SPEAKER pro tempore. The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. NEY).

The amendment in the nature of a substitute was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

The title of the bill was amended so as to read: ''A Bill to direct the Joint Committee on the Library to obtain a statue of Rosa Parks and to place the statue in the United States Capitol in National Statuary Hall, and for other purposes.''.

A motion to reconsider was laid on the table.

RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 2 o'clock and 25 minutes a.m.), the House stood in recess subject to the call of the Chair.

□ 0831

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. GINGREY) at 8 o'clock and 31 minutes a.m.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST CONFERENCE REPORT ON H.R. 2528, MILITARY QUALITY OF LIFE AND VETERANS AFFAIRS APPROPRIATIONS ACT, 2006

Mr. LINCOLN DIAZ-BALART of Florida, from the Committee on Rules, submitted a privileged report (Rept. No. 109–308) on the resolution (H. Res. 564) waiving points of order against the conference report to accompany the bill (H.R. 2528) making appropriations for military quality of life functions of the Department of Defense, military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2006, 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. 3058, DEPARTMENTS OF TRANSPORTATION, TREASURY, HOUSING AND URBAN DEVELOPMENT, THE JUDICIARY, THE DISTRICT OF COLUMBIA, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2006

Mr. LINCOLN DIAZ-BALART of Florida, from the Committee on Rules, submitted a privileged report (Rept. No. 109–309) on the resolution (H. Res. 565) waiving points of order against the conference report to accompany the bill (H.R. 3058) making appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and independent agencies for the fiscal year ending September 30, 2006, and for other purposes, which was referred to the House Calendar and ordered to be printed.

PAKISTAN EARTHQUAKE RELIEF

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

Mr. PAYNE. Mr. Speaker, I rise today to speak about the recent 7.6 magnitude earthquake that struck Pakistan, India, and Afghanistan on October 8, 2005, and the Bush administration's response to that crisis.

Mr. Speaker, the devastation wrought by the natural disaster has caused an unimaginable humanitarian

crisis, especially in Pakistan where approximately 90,000 people have lost their lives so far, and that number is expected to rise. In addition, over 3 million people have been left homeless.

Given the magnitude, one would expect the Bush administration to have a response with a pledge of aid that matched the severity of the situation, especially given our current efforts to win the hearts and minds of that region of the world. What have we done so far? A little over $50 million. That is not an adequate response, especially since we spend almost $6 billion a month on the war on Iraq. We know that Pakistan has joined us in fighting al Qaeda.

I think that we should actually have more of a concern for those who have joined us in this war on terror. I would like to add a March 17, 2003, article for the RECORD, where the U.S. forced inspectors out of Iraq, which could have proved that there were no weapons of mass destruction.

[From USA Today, Mar. 17, 2003]

U.S. ADVISES WEAPONS INSPECTORS TO LEAVE IRAQ

VIENNA, AUSTRIA.—In the clearest sign yet that war with Iraq is imminent, the United States has advised U.N. weapons inspectors to begin pulling out of Baghdad, the U.N. nuclear agency chief said Monday.

Mohamed ElBaradei, head of the International Atomic Energy Agency, said the recommendation was given late Sunday night both to his Vienna-based agency hunting for atomic weaponry and to the New York-based teams looking for biological and chemical weapons.

''Late last night . . . I was advised by the U.S. government to pull out our inspectors from Baghdad,'' ElBaradei told the IAEA's board of governors. He said U.N. Secretary-General Kofi Annan and the Security Council were informed and that the council would take up the issue later Monday.

U.N. officials have said the inspectors and support staff still in Iraq could be evacuated in as little as 48 hours.

No one has yet given the order for the inspectors to begin pulling out, and they were working on Monday. Most of the teams' helicopters have left Iraq because their insurance was canceled, chief U.N. inspector Hans Blix said, and the personnel level was low because of a scheduled rotation home.

IAEA spokeswoman Melissa Fleming said the nuclear agency would wait for Security Council guidance later Monday before deciding whether to pull out its inspectors.

The teams, which returned to Iraq on Nov. 27 after a nearly four-year absence, drew up contingency plans to evacuate even before their redeployment.

''A lot depends on the Iraqis,'' a senior U.N. inspector told The Associated Press on condition of anonymity. ''If they let us use aircraft to get out, we could be gone in 48 hours or even less. If they won't let us fly out, we would have to drive to a border, and that could mean an eight-hour journey across hot desert. It would take longer, but we would get out.''

Inspectors have experience in getting out of Iraq in a hurry: In December 1998, they pulled out on the eve of U.S.-British airstrikes amid allegations that Baghdad was not cooperating with the teams.

There have been some concerns that the Iraqis might hold the inspectors as human shields in case of a conflict. But Iraq's foreign minister appeared to play down those fears in a live television interview on the al-Arabiya Arabic satellite channel Sunday night.

''The inspectors came by a decision of the Security Council, which decides on their departure,'' Naji Sabri said.

ElBaradei told the nuclear agency's 35-nation governing board Monday that he was worried about the safety of the teams, yet still held out hope that war could be averted.

''Naturally the safety of our staff remains our primary consideration at this difficult time,'' he said. ''I earnestly hope—even at this late hour—that a peaceful resolution of the issue can be achieved, and that the world can be spared a war.''

ElBaradei, who has been monitoring the situation day to day, also confirmed that he and Blix had received an invitation from Baghdad ''to visit Iraq with a view toward accelerating the implementation of our respective mandates.'' He did not say whether he or Blix had accepted.

''I should note that in recent weeks, possibly as a result of increasing pressure by the international community, Iraq has been more forthcoming in its cooperation with the IAEA,'' he said, adding that inspectors still have found no evidence that Saddam Hussein has revived his nuclear program.

But with the United States, Britain and Spain making clear that Monday would be the final day for diplomatic efforts to avert a conflict, it appeared that the inspectors were running out of time and could begin withdrawing at any moment.

In other signs that war could be imminent, the U.S. State Department on Sunday night ordered nonessential personnel and all family members to leave Israel, Kuwait and Syria in a precautionary move.

Germany closed its embassy in Baghdad on Monday after calling on its citizens to leave Iraq ''immediately,'' and Britain advised all its citizens except diplomatic staff to leave Kuwait as soon as possible, citing a potential threat from war in neighboring Iraq.

CONFERENCE REPORT ON H.R. 3058

Mr. KNOLLENBERG submitted the following conference report and statement on the bill (H.R. 3058) making appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and independent agencies for the fiscal year ending September 30, 2006, and for other purposes:

CONFERENCE REPORT (H. REPT. 109–307)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3058) ''making appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and independent agencies for the fiscal year ending September 30, 2006, 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, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

DIVISION A—TRANSPORTATION, TREASURY, HOUSING AND URBAN DEVELOPMENT, THE JUDICIARY, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2006

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Transportation, Treasury, Housing and Urban Development, the Judiciary, and independent agencies for the fiscal year ending September 30, 2006, and for other purposes, namely:

TITLE I

DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

For necessary expenses of the Office of the Secretary, $84,900,000, of which not to exceed $2,198,000 shall be available for the immediate Office of the Secretary; not to exceed $698,000 shall be available for the immediate Office of the Deputy Secretary; not to exceed $15,183,000 shall be available for the Office of the General Counsel; not to exceed $11,650,000 shall be available for the Office of the Under Secretary of Transportation for Policy; not to exceed $8,485,000 shall be available for the Office of the Assistant Secretary for Budget and Programs; not to exceed $2,293,000 shall be available for the Office of the Assistant Secretary for Governmental Affairs; not to exceed $22,031,000 shall be available for the Office of the Assistant Secretary for Administration; not to exceed $1,910,000 shall be available for the Office of Public Affairs; not to exceed $1,442,000 shall be available for the Office of the Executive Secretariat; not to exceed $697,000 shall be available for the Board of Contract Appeals; not to exceed $1,265,000 shall be available for the Office of Small and Disadvantaged Business Utilization; not to exceed $2,033,000 for the Office of Intelligence and Security; not to exceed $11,895,000 shall be available for the Office of the Chief Information Officer; and not to exceed $3,120,000 shall be available for the Office of Emergency Transportation: Provided, That the Secretary of Transportation is authorized to transfer funds appropriated for any office of the Office of the Secretary to any other office of the Office of the Secretary: Provided further, That no appropriation for any office shall be increased or decreased by more than 5 percent by all such transfers: Provided further, That notice of any change in funding greater than 5 percent shall be submitted for approval to the House and Senate Committees on Appropriations: Provided further, That not to exceed $60,000 shall be for allocation within the Department for official reception and representation expenses as the Secretary may determine: Provided further, That notwithstanding any other provision of law, excluding fees authorized in Public Law 107–71, there may be credited to this appropriation up to $2,500,000 in funds received in user fees: Provided further, That none of the funds provided in this Act shall be available for the position of Assistant Secretary for Public Affairs.

OFFICE OF CIVIL RIGHTS

For necessary expenses of the Office of Civil Rights, $8,550,000.

TRANSPORTATION PLANNING, RESEARCH, AND DEVELOPMENT

For necessary expenses for conducting transportation planning, research, systems development, development activities, and making grants, to remain available until expended, $15,000,000.

WORKING CAPITAL FUND

Necessary expenses for operating costs and capital outlays of the Working Capital Fund, not to exceed $118,014,000, shall be paid from appropriations made available to the Department of Transportation: Provided, That such services shall be provided on a competitive basis to entities within the Department of Transportation: Provided further, That the above limitation on operating expenses shall not apply to non-DOT entities: Provided further, That no funds appropriated in this Act to an agency of the Department shall be transferred to the Working Capital Fund without the approval of the agency modal administrator: Provided further, That no assessments may be levied against any program, budget activity, subactivity or project funded by this

Act unless notice of such assessments and the basis therefor are presented to the House and Senate Committees on Appropriations and are approved by such Committees.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

For the cost of guaranteed loans, $500,000, as authorized by 49 U.S.C. 332: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $18,367,000. In addition, for administrative expenses to carry out the guaranteed loan program, $400,000.

MINORITY BUSINESS OUTREACH

For necessary expenses of Minority Business Resource Center outreach activities, $3,000,000, to remain available until September 30, 2007: Provided, That notwithstanding 49 U.S.C. 332, these funds may be used for business opportunities related to any mode of transportation.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

In addition to funds made available from any other source to carry out the essential air service program under 49 U.S.C. 41731 through 41742, $60,000,000, to be derived from the Airport and Airway Trust Fund, to remain available until expended: Provided, That, in determining between or among carriers competing to provide service to a community, the Secretary may consider the relative subsidy requirements of the carriers: Provided further, That, if the funds under this heading are insufficient to meet the costs of the essential air service program in the current fiscal year, the Secretary shall transfer such sums as may be necessary to carry out the essential air service program from any available amounts appropriated to or directly administered by the Office of the Secretary for such fiscal year.

NEW HEADQUARTERS BUILDING

For necessary expenses of the Department of Transportation's new headquarters building and related services, $50,000,000, to remain available until expended.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

For necessary expenses of the Federal Aviation Administration, not otherwise provided for, including operations and research activities related to commercial space transportation, administrative expenses for research and development, establishment of air navigation facilities, the operation (including leasing) and maintenance of aircraft, subsidizing the cost of aeronautical charts and maps sold to the public, lease or purchase of passenger motor vehicles for replacement only, in addition to amounts made available by Public Law 108–176, $8,036,000,000, of which $5,541,000,000 shall be derived from the Airport and Airway Trust Fund, of which not to exceed $6,629,000,000 shall be available for air traffic organization activities; not to exceed $958,542,000 shall be available for aviation regulation and certification activities; not to exceed $11,759,000 shall be available for commercial space transportation activities; not to exceed $50,983,000 shall be available for financial services activities; not to exceed $69,943,000 shall be available for human resources program activities; not to exceed $150,744,000 shall be available for region and center operations and regional coordination activities; not to exceed $142,000,000 shall be available for staff offices; and not to exceed $36,112,000 shall be available for information services: Provided, That not to exceed 2 percent of any budget activity, except for aviation regulation and certification budget activity, may be transferred to any budget activity under this heading: Provided further, That no transfer may increase or decrease any appropriation by more than 2 percent: Provided further, That any transfer in excess of 2 percent shall be treated as a reprogramming of funds under section 710 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section: Provided further, That none of the funds in this Act shall be available for the Federal Aviation Administration to finalize or implement any regulation that would promulgate new aviation user fees not specifically authorized by law after the date of the enactment of this Act: Provided further, That there may be credited to this appropriation funds received from States, counties, municipalities, foreign authorities, other public authorities, and private sources, for expenses incurred in the provision of agency services, including receipts for the maintenance and operation of air navigation facilities, and for issuance, renewal or modification of certificates, including airman, aircraft, and repair station certificates, or for tests related thereto, or for processing major repair or alteration forms: Provided further, That of the funds appropriated under this heading, not less than $7,500,000 shall be for the contract tower cost-sharing program: Provided further, That funds may be used to enter into a grant agreement with a nonprofit standard-setting organization to assist in the development of aviation safety standards: Provided further, That none of the funds in this Act shall be available for new applicants for the second career training program: Provided further, That none of the funds in this Act shall be available for paying premium pay under 5 U.S.C. 5546(a) to any Federal Aviation Administration employee unless such employee actually performed work during the time corresponding to such premium pay: Provided further, That none of the funds in this Act may be obligated or expended to operate a manned auxiliary flight service station in the contiguous United States: Provided further, That none of the funds in this Act for aeronautical charting and cartography are available for activities conducted by, or coordinated through, the Working Capital Fund: Provided further, That none of the funds in this Act may be obligated or expended for an employee of the Federal Aviation Administration to purchase a store gift card or gift certificate through use of a Government-issued credit card. In addition, $150,000,000 is for costs associated with the flight service station transition.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for acquisition, establishment, technical support services, improvement by contract or purchase, and hire of air navigation and experimental facilities and equipment, as authorized under part A of subtitle VII of title 49, United States Code, including initial acquisition of necessary sites by lease or grant; engineering and service testing, including construction of test facilities and acquisition of necessary sites by lease or grant; construction and furnishing of quarters and related accommodations for officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available; and the purchase, lease, or transfer of aircraft from funds available under this heading; to be derived from the Airport and Airway Trust Fund, $2,540,000,000, of which $2,110,789,500 shall remain available until September 30, 2008, and of which $429,210,500 shall remain available until September 30, 2006: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities: Provided further, That upon initial submission to the Congress of the fiscal year 2007 President's budget, the Secretary of Transportation shall transmit to the Congress a comprehensive capital investment plan for the Federal Aviation Administration which includes funding for each budget line item for fiscal years 2007 through 2011, with total funding for each year of the plan constrained to the funding targets for those years as estimated and approved by the Office of Management and Budget.

RESEARCH, ENGINEERING, AND DEVELOPMENT

(AIRPORT AND AIRWAY TRUST FUND)

For necessary expenses, not otherwise provided for, for research, engineering, and development, as authorized under part A of subtitle VII of title 49, United States Code, including construction of experimental facilities and acquisition of necessary sites by lease or grant, $138,000,000, to be derived from the Airport and Airway Trust Fund and to remain available until September 30, 2008: Provided, That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred for research, engineering, and development.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(AIRPORT AND AIRWAY TRUST FUND)

For liquidation of obligations incurred for grants-in-aid for airport planning and development, and noise compatibility planning and programs as authorized under subchapter I of chapter 471 and subchapter I of chapter 475 of title 49, United States Code, and under other law authorizing such obligations; for procurement, installation, and commissioning of runway incursion prevention devices and systems at airports of such title; for grants authorized under section 41743 of title 49, United States Code; and for inspection activities and administration of airport safety programs, including those related to airport operating certificates under section 44706 of title 49, United States Code, $3,399,000,000 to be derived from the Airport and Airway Trust Fund and to remain available until expended: Provided, That none of the funds under this heading shall be available for the planning or execution of programs the obligations for which are in excess of $3,550,000,000 in fiscal year 2006, notwithstanding section 47117(g) of title 49, United States Code: Provided further, That none of the funds under this heading shall be available for the replacement of baggage conveyor systems, reconfiguration of terminal baggage areas, or other airport improvements that are necessary to install bulk explosive detection systems: Provided further, That notwithstanding any other provision of law, of funds limited under this heading, not more than $71,096,000 shall be obligated for administration, not less than $10,000,000 shall be available for the airport cooperative research program, and not less than $10,000,000 shall be available to carry out the Small Community Air Service Development Program, to remain available until expended: Provided further, That not later than December 31, 2015, the owner or operator of an airport certificated under 49 U.S.C. 44706 shall improve the airport's runway safety areas to comply with the Federal Aviation Administration design standards required by 14 CFR part 139: Provided further, That the Federal Aviation Administration shall report annually to the Congress on the agency's progress toward improving the runway safety areas at 49 U.S.C. 44706 airports.

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

Of the amounts authorized for the fiscal year ending September 30, 2006 and prior years under sections 48103 and 48112 of title 49, United States Code, $1,032,000,000 are rescinded.

ADMINISTRATIVE PROVISIONS—FEDERAL AVIATION ADMINISTRATION

SEC. 101. Notwithstanding any other provision of law, airports may transfer without consideration to the Federal Aviation Administration

(FAA) instrument landing systems (along with associated approach lighting equipment and runway visual range equipment) which conform to FAA design and performance specifications, the purchase of which was assisted by a Federal airport-aid program, airport development aid program or airport improvement program grant: Provided, That the Federal Aviation Administration shall accept such equipment, which shall thereafter be operated and maintained by FAA in accordance with agency criteria.

SEC. 102. None of the funds in this Act may be used to compensate in excess of 375 technical staff-years under the federally funded research and development center contract between the Federal Aviation Administration and the Center for Advanced Aviation Systems Development during fiscal year 2006.

SEC. 103. None of the funds in this Act shall be used to pursue or adopt guidelines or regulations requiring airport sponsors to provide to the Federal Aviation Administration without cost building construction, maintenance, utilities and expenses, or space in airport sponsor-owned buildings for services relating to air traffic control, air navigation, or weather reporting: Provided, That the prohibition of funds in this section does not apply to negotiations between the agency and airport sponsors to achieve agreement on ''below-market'' rates for these items or to grant assurances that require airport sponsors to provide land without cost to the FAA for air traffic control facilities.

SEC. 104. The Administrator of the Federal Aviation Administration may reimburse amounts made available to satisfy 49 U.S.C. 41742(a)(1) from fees credited under 49 U.S.C. 45303: Provided, That during fiscal year 2006, 49 U.S.C. 41742(b) shall not apply, and any amount remaining in such account at the close of that fiscal year may be made available to satisfy section 41742(a)(1) for the subsequent fiscal year.

SEC. 105. Amounts collected under section 40113(e) of title 49, United States Code, shall be credited to the appropriation current at the time of collection, to be merged with and available for the same purposes of such appropriation.

SEC. 106. None of the funds appropriated or limited by this Act may be used to change weight restrictions or prior permission rules at Teterboro Airport in Teterboro, New Jersey.

SEC. 107. None of the funds made available in this Act shall be used for engineering work related to an additional runway at Louis Armstrong New Orleans International Airport.

SEC. 108. (a) Section 44302(f)(1) of title 49, United States Code, is amended by striking ''2005,'' each place it appears and inserting ''2006,''.

(b) Section 44303(b) of such title is amended by striking ''2005,'' and inserting ''2006,''.

SEC. 109. Section 47114(c)(1) of title 49, United States Code, is amended by adding the following new paragraph at the end:

''(G) SPECIAL RULE FOR FISCAL YEAR 2006.—Notwithstanding subparagraph (A) and the absence of scheduled passenger aircraft service at an airport, the Secretary may apportion in fiscal year 2006 to the sponsor of the airport an amount equal to $500,000, if the Secretary finds that—

''(i) the passenger boardings at the airport were below 10,000 in calendar year 2004;

''(ii) the airport had at least 10,000 passenger boardings and scheduled passenger aircraft service in either calendar year 2000 or 2001; and

''(iii) the reason that passenger boardings described in clause (i) were below 10,000 was the decrease in passengers following the terrorist attacks of September 11, 2001.''.

FEDERAL HIGHWAY ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

Necessary expenses for administration and operation of the Federal Highway Administration, not to exceed $364,638,000, shall be paid in accordance with law from appropriations made available by this Act to the Federal Highway Administration together with advances and reimbursements received by the Federal Highway Administration.

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

None of the funds in this Act shall be available for the implementation or execution of programs, the obligations for which are in excess of $36,032,343,903 for Federal-aid highways and highway safety construction programs for fiscal year 2006: Provided, That within the $36,032,343,903 obligation limitation on Federal-aid highways and highway safety construction programs, not more than $429,800,000 shall be available for the implementation or execution of programs for transportation research (chapter 5 of title 23, United States Code; sections 111, 5505, and 5506 of title 49, United States Code; and title 5 of Public Law 109–59) for fiscal year 2006: Provided further, That this limitation on transportation research programs shall not apply to any authority previously made available for obligation: Provided further, That the Secretary may, as authorized by section 605(b) of title 23, United States Code, collect and spend fees to cover the costs of services of expert firms, including counsel, in the field of municipal and project finance to assist in the underwriting and servicing of Federal credit instruments and all or a portion of the costs to the Federal government of servicing such credit instruments: Provided further, That such fees are available until expended to pay for such costs: Provided further, That such amounts are in addition to administrative expenses that are also available for such purpose, and are not subject to any obligation limitation or the limitation on administrative expenses under section 608 of title 23, United States Code.

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

Notwithstanding any other provision of law, for carrying out the provisions of title 23, United States Code, that are attributable to Federal-aid highways, not otherwise provided, including reimbursement for sums expended pursuant to the provisions of 23 U.S.C. 308, $36,032,343,903 or so much thereof as may be available in and derived from the Highway Trust Fund (other than the Mass Transit Account), to remain available until expended.

(RESCISSION)

(HIGHWAY TRUST FUND)

Of the unobligated balances of funds apportioned to each State under chapter 1 of title 23, United States Code, $1,999,999,000 are rescinded: Provided, That such rescission shall not apply to the funds distributed in accordance with 23 U.S.C. 130(f), 23 U.S.C. 133(d)(1) as in effect prior to the date of enactment of Public Law 109–59, the first sentence of 23 U.S.C. 133(d)(3)(A), 23 U.S.C. 104(b)(5), or 23 U.S.C. 163 as in effect prior to the enactment of Public Law 109–59.

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

For necessary expenses for the Appalachian Development Highway System as authorized under section 1069(y) of Public Law 102–240, as amended, $20,000,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS—FEDERAL HIGHWAY ADMINISTRATION

SEC. 110. (a) For fiscal year 2006, the Secretary of Transportation shall—

(1) not distribute from the obligation limitation for Federal-aid highways amounts authorized for administrative expenses and programs by section 104(a) of title 23, United States Code; programs funded from the administrative takedown authorized by section 104(a)(1) of title 23, United States Code (as in effect on the date before the date of enactment of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users); the highway use tax evasion program; the Bureau of Transportation Statistics; the programs, projects, and activities funded from the takedown authorized by section 112 of this Act; and the unobligated balances of funds made available for programs, projects, and activities funded from the takedown authorized by section 117 of title I of division H of the Consolidated Appropriations Act, 2005 (Public Law 108–447) for which no obligation limitation has previously been made available;

(2) not distribute an amount from the obligation limitation for Federal-aid highways that is equal to the unobligated balance of amounts made available from the Highway Trust Fund (other than the Mass Transit Account) for Federal-aid highways and highway safety programs for previous fiscal years the funds for which are allocated by the Secretary;

(3) determine the ratio that—

(A) the obligation limitation for Federal-aid highways, less the aggregate of amounts not distributed under paragraphs (1) and (2), bears to

(B) the total of the sums authorized to be appropriated for Federal-aid highways and highway safety construction programs (other than sums authorized to be appropriated for provisions of law described in paragraphs (1) through (9) of subsection (b) and sums authorized to be appropriated for section 105 of title 23, United States Code, equal to the amount referred to in subsection (b)(10) for such fiscal year), less the aggregate of the amounts not distributed under paragraphs (1) and (2) of this subsection;

(4)(A) distribute the obligation limitation for Federal-aid highways, less the aggregate amounts not distributed under paragraphs (1) and (2), for sections 1301, 1302, and 1934 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users; sections 117 (but individually for each project numbered 1 through 3676 listed in the table contained in section 1702 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users) and 144(g) of title 23, United States Code; and section 14501 of title 40, United States Code, so that the amount of obligation authority available for each of such sections is equal to the amount determined by multiplying the ratio determined under paragraph (3) by the sums authorized to be appropriated for that section for the fiscal year; and

(B) distribute $2,000,000,000 for section 105 of title 23, United States Code;

(5) distribute the obligation limitation provided for Federal-aid highways, less the aggregate amounts not distributed under paragraphs (1) and (2) and amounts distributed under paragraph (4), for each of the programs that are allocated by the Secretary under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users and title 23, United States Code (other than to programs to which paragraphs (1) and (4) apply), by multiplying the ratio determined under paragraph (3) by the amounts authorized to be appropriated for each such program for such fiscal year; and

(6) distribute the obligation limitation provided for Federal-aid highways, less the aggregate amounts not distributed under paragraphs (1) and (2) and amounts distributed under paragraphs (4) and (5), for Federal-aid highways and highway safety construction programs (other than the amounts apportioned for the equity bonus program, but only to the extent that the amounts apportioned for the equity bonus program for the fiscal year are greater than $2,639,000,000, and the Appalachian development highway system program) that are apportioned by the Secretary under the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users and title 23, United States Code, in the ratio that—

(A) amounts authorized to be appropriated for such programs that are apportioned to each State for such fiscal year, bear to

(B) the total of the amounts authorized to be appropriated for such programs that are apportioned to all States for such fiscal year.

(b) EXCEPTIONS FROM OBLIGATION LIMITATION.—The obligation limitation for Federal-aid highways shall not apply to obligations: (1) under section 125 of title 23, United States Code; (2) under section 147 of the Surface Transportation Assistance Act of 1978; (3) under section 9 of the Federal-Aid Highway Act of 1981; (4) under subsections (b) and (j) of section 131 of the Surface Transportation Assistance Act of 1982; (5) under subsections (b) and (c) of section 149 of the Surface Transportation and Uniform Relocation Assistance Act of 1987; (6) under sections 1103 through 1108 of the Intermodal Surface Transportation Efficiency Act of 1991; (7) under section 157 of title 23, United States Code, as in effect on the day before the date of the enactment of the Transportation Equity Act for the 21st Century; (8) under section 105 of title 23, United States Code, as in effect for fiscal years 1998 through 2004, but only in an amount equal to $639,000,000 for each of those fiscal years; (9) for Federal-aid highway programs for which obligation authority was made available under the Transportation Equity Act for the 21st Century or subsequent public laws for multiple years or to remain available until used, but only to the extent that the obligation authority has not lapsed or been used; (10) under section 105 of title 23, United States Code, but only in an amount equal to $639,000,000 for each of fiscal years 2005 and 2006; and (11) under section 1603 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, to the extent that funds obligated in accordance with that section were not subject to a limitation on obligations at the time at which the funds were initially made available for obligation.

(c) REDISTRIBUTION OF UNUSED OBLIGATION AUTHORITY.—Notwithstanding subsection (a), the Secretary shall, after August 1 of such fiscal year, revise a distribution of the obligation limitation made available under subsection (a) if the amount distributed cannot be obligated during that fiscal year and redistribute sufficient amounts to those States able to obligate amounts in addition to those previously distributed during that fiscal year, giving priority to those States having large unobligated balances of funds apportioned under sections 104 and 144 of title 23, United States Code.

(d) APPLICABILITY OF OBLIGATION LIMITATIONS TO TRANSPORTATION RESEARCH PROGRAMS.—The obligation limitation shall apply to transportation research programs carried out under chapter 5 of title 23, United States Code, and title V (research title) of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users, except that obligation authority made available for such programs under such limitation shall remain available for a period of 3 fiscal years and shall be in addition to the amount of any limitation imposed on obligations for Federal-aid highway and highway safety construction programs for future fiscal years.

(e) REDISTRIBUTION OF CERTAIN AUTHORIZED FUNDS.—

(1) IN GENERAL.—Not later than 30 days after the date of the distribution of obligation limitation under subsection (a), the Secretary shall distribute to the States any funds that—

(A) are authorized to be appropriated for such fiscal year for Federal-aid highways programs; and

(B) the Secretary determines will not be allocated to the States, and will not be available for obligation, in such fiscal year due to the imposition of any obligation limitation for such fiscal year.

(2) RATIO.—Funds shall be distributed under paragraph (1) in the same ratio as the distribution of obligation authority under subsection (a)(6).

(3) AVAILABILITY.—Funds distributed under paragraph (1) shall be available for any purposes described in section 133(b) of title 23, United States Code.

(f) SPECIAL LIMITATION CHARACTERISTICS.—Obligation limitation distributed for a fiscal year under subsection (a)(4) for the provision specified in subsection (a)(4) shall—

(a)(1) for programs, projects, and activities funded from the takedown authorized by section 117 of title I of division H of Public Law 108–447 and under subsection

(1) remain available until used for obligation of funds for that provision; and

(2) be in addition to the amount of any limitation imposed on obligations for Federal-aid highway and highway safety construction programs for future fiscal years.

(g)HIGH PRIORITY PROJECT FLEXIBILITY.—

(1) IN GENERAL.—Subject to paragraph (2), obligation authority distributed for such fiscal year under subsection (a)(4) for each project numbered 1 through 3676 listed in the table contained in section 1702 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users may be obligated for any other project in such section in the same State.

(2) RESTORATION.—Obligation authority used as described in paragraph (1) shall be restored to the original purpose on the date on which obligation authority is distributed under this section for the next fiscal year following obligation under paragraph (1).

(h) LIMITATION ON STATUTORY CONSTRUCTION.—Nothing in this section shall be construed to limit the distribution of obligation authority under subsection (a)(4)(A) for each of the individual projects numbered greater than 3676 listed in the table contained in section 1702 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users.

SEC. 111. Notwithstanding 31 U.S.C. 3302, funds received by the Bureau of Transportation Statistics from the sale of data products, for necessary expenses incurred pursuant to 49 U.S.C. 111 may be credited to the Federal-aid highways account for the purpose of reimbursing the Bureau for such expenses: Provided, That such funds shall be subject to the obligation limitation for Federal-aid highways and highway safety construction.

SEC. 112. Notwithstanding any other provision of law, whenever an allocation is made of the sums authorized to be appropriated for expenditure on the Federal lands highway program, and whenever an apportionment is made of the sums authorized to be appropriated for the surface transportation program, the congestion mitigation and air quality improvement program, the National Highway System, the Interstate maintenance program, the bridge program, the Appalachian development highway system, and the equity bonus program, the Secretary of Transportation shall deduct a sum in such amount not to exceed 2.75 percent of all sums so authorized: Provided, That of the amount so deducted in accordance with this section, $600,000,000 shall be made available for surface transportation projects and $25,000,000 shall be made available for highway priority projects as identified under this section in the statement of the managers accompanying this Act: Provided further, That notwithstanding any other provision of law and the preceding clauses of this provision, the Secretary of Transportation may use amounts made available by this section to make grants for any surface transportation project otherwise eligible for funding under title 23 or title 49, United States Code: Provided further, That funds made available under this section, at the request of a State, shall be transferred by the Secretary to another Federal agency: Provided further, That the Federal share payable on account of any program, project, or activity carried out with funds made available under this section shall be 100 percent: Provided further, That the sum deducted in accordance with this section shall remain available until expended: Provided further, That all funds made available under this section shall be subject to any limitation on obligations for Federal-aid highways and highway safety construction programs set forth in this Act or any other Act: Provided further, That the obligation limitation made available for the programs, projects, and activities for which funds are made available under this section shall remain available until used and shall be in addition to the amount of any limitation imposed on obligations for Federal-aid highway and highway safety construction programs for future fiscal years.

SEC. 113. Notwithstanding any other provision of law, projects and activities described in the statement of managers accompanying this Act under the headings ''Federal-Aid Highways'' and ''Federal Transit Administration'' shall be eligible for fiscal year 2006 funds made available for the project for which each project or activity is so designated: Provided, That the Federal share payable on account of any such projects and activities subject to this section shall be the same as the share required by the Federal program under which each project or activity is designated unless otherwise provided in this Act.

SEC. 114. BYPASS BRIDGE AT HOOVER DAM. (a) IN GENERAL.—Subject to subsection (b), the Secretary of Transportation may expend from any funds appropriated for expenditure in accordance with title 23, United States Code, for payment of debt service by the States of Arizona and Nevada on notes issued for the bypass bridge project at Hoover Dam, pending appropriation or replenishment for that project.

(b) REIMBURSEMENT.—Funds expended under subsection (a) shall be reimbursed from the funds made available to the States of Arizona and Nevada for payment of debt service on notes issued for the bypass bridge project at Hoover Dam.

SEC. 115. Section 1023(h) of the Intermodal Surface Transportation Efficiency Act of 1991 (23 U.S.C. 127 note; 105 Stat. 1951) is amended by striking paragraphs (2) and (3) and inserting the following:

''(2) STATE ACTION.—

''(A) WEIGHT LIMITATIONS.—For the period beginning on the date of enactment of this subparagraph and ending on September 30, 2009, a covered State, including any political subdivision of such State, may not enforce a single axle weight limitation of less than 24,000 pounds, including enforcement tolerances, on any vehicle referred to in paragraph (1) in any case in which the vehicle is using the Interstate System.

''(B) COVERED STATE DEFINED.—In this paragraph, the term 'covered State' means a State that has enforced, in the period beginning on October 6, 1992, and ending on the date of enactment of this subparagraph, a single axle weight limitation of 20,000 pounds or greater but less than 24,000 pounds, including enforcement tolerances, on any vehicle referred to in paragraph (1) in any case in which the vehicle is using the Interstate System.''.

SEC. 116. Notwithstanding any other provision of law, access to the I–5 ''Transit Only'' ramps at NE 163rd in Shoreline, Washington, shall be expanded to include King County Solid Waste Division transfer vehicles upon the determination of the Federal Highway Administrator that necessary safety improvements have been completed.

SEC. 117. DESIGNATION OF MAX M. FISHER MEMORIAL HIGHWAY. (a) DESIGNATION.—The portion of highway US–24 in the State of Michigan, beginning at Interstate 96 and extending north to Interstate 75 at exit 93 west of Clarkston, shall be known and designated as the ''Max M. Fisher Memorial Highway''.

(b) REFERENCES.—Any reference in a law, map, regulation, document, paper, or other record of the United States to the highway portion referred to in subsection (a) shall be deemed to be a reference to the ''Max M. Fisher Memorial Highway''.

SEC. 118. Notwithstanding any other provision of law, funds provided in Public Law 108–7 under the heading ''Federal-aid Highways'' for intelligent transportation system projects and

designated for Gettysburg Borough Signal Coordination and Upgrade-Signalization; Adams County, Pennsylvania shall be available for Gettysburg Borough and Surrounding Municipalities Signal Coordination and Upgrade-Signalization; Adams County, Pennsylvania.

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

MOTOR CARRIER SAFETY OPERATIONS AND PROGRAMS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

For payment of obligations incurred for administration of motor carrier safety operations and programs pursuant to section 31104(i) of title 49, United States Code, and sections 4127 and 4134 of Public Law 109–59, $213,000,000, to be derived from the Highway Trust Fund (other than the Mass Transit Account), together with advances and reimbursements received by the Federal Motor Carrier Safety Administration, the sum of which shall remain available until expended: Provided, That none of the funds derived from the Highway Trust Fund in this Act shall be available for the implementation, execution or administration of programs, the obligations for which are in excess of $213,000,000, for ''Motor Carrier Safety Operations and Programs'', of which $10,084,000, to remain available for obligation until September 30, 2008, is for the research and technology program and $1,000,000 shall be available for commercial motor vehicle operator's grants to carry out section 4134 of Public Law 109–59: Provided further, That notwithstanding any other provision of law, none of the funds under this heading for outreach and education shall be available for transfer.

MOTOR CARRIER SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out sections 31102, 31104, 31106, 31107, 31109, 31309, 31313 of title 49, United States Code, and sections 4126 and 4128 of Public Law 109–59, $282,000,000, to be derived from the Highway Trust Fund (other than the Mass Transit Account) and to remain available until expended: Provided, That none of the funds in this Act shall be available for the implementation or execution of programs, the obligations for which are in excess of $282,000,000, for ''Motor Carrier Safety Grants''; of which $188,000,000 shall be available for the motor carrier safety assistance program to carry out sections 31102 and 31104 of title 49, United States Code; $25,000,000 shall be available for the commercial driver's license improvements program to carry out section 31313 of title 49, United States Code; $32,000,000 shall be available for the border enforcement grants program to carry out section 31107 of title 49, United States Code; $5,000,000 shall be available for the performance and registration information system management program to carry out sections 31106 and 31109 of title 49, United States Code; $25,000,000 shall be available for the commercial vehicle information systems and networks deployment program to carry out section 4126 of Public Law 109–59; $2,000,000 shall be available for the safety data improvement program to carry out section 4128 of Public Law 109–59; and $5,000,000 shall be available for the commercial driver's license information system modernization program to carry out section 31309 of title 49, United States Code: Provided further, That of the funds made available for the motor carrier safety assistance program, $29,000,000 shall be available for audits of new entrant motor carriers.

ADMINISTRATIVE PROVISION—FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

SEC. 120. Funds appropriated or limited in this Act shall be subject to the terms and conditions stipulated in section 350 of Public Law 107–87, including that the Secretary submit a report to the House and Senate Appropriations Committees annually on the safety and security of transportation into the United States by Mexico-domiciled motor carriers.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

OPERATIONS AND RESEARCH

(HIGHWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary to discharge the functions of the Secretary, with respect to traffic and highway safety under chapter 301 of title 49, United States Code, and part C of subtitle VI of title 49, United States Code, $122,457,000, to be derived from the sum authorized to be deducted under section 112 of this Act and transferred to the National Highway Traffic Safety Administration upon enactment of this Act, of which $96,301,000 shall remain available until September 30, 2006 and $26,156,000 shall remain available until September 30, 2008: Provided, That such funds shall be transferred to and administered by the National Highway Traffic Safety Administration: Provided further, That none of the funds appropriated by this Act may be obligated or expended to plan, finalize, or implement any rulemaking to add to section 575.104 of title 49 of the Code of Federal Regulations any requirement pertaining to a grading standard that is different from the three grading standards (treadwear, traction, and temperature resistance) already in effect: Provided further, That all funds made available under this heading shall be subject to any limitation on obligations for Federal-aid highways and highway safety construction programs set forth in this Act or any other Act: Provided further, That the obligation limitation made available for the programs, projects, and activities for which funds are made available under this heading shall remain available as specified and shall be in addition to the amount of any limitation imposed on obligations for Federal-aid highway and highway safety construction programs for future fiscal years.

OPERATIONS AND RESEARCH

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out the provisions of 23 U.S.C. 403, to remain available until expended, $110,000,000, to be derived from the Highway Trust Fund: Provided, That none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which, in fiscal year 2006, are in excess of $110,000,000 for programs authorized under 23 U.S.C. 403.

NATIONAL DRIVER REGISTER

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out chapter 303 of title 49, United States Code, $4,000,000, to be derived from the Highway Trust Fund and remain available until September 30, 2007: Provided, That none of the funds in this Act shall be available for the implementation or execution of programs the obligations for which are in excess of $4,000,000 for the National Driver Register authorized under chapter 303 of title 49, United States Code.

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

For payment of obligations incurred in carrying out the provisions of 23 U.S.C. 402, 405, 406, 408, and 410 and sections 2001(a)(11), 2009, 2010, and 2011 of Public Law 109–59, to remain available until expended, $578,176,000 to be derived from the Highway Trust Fund (other than the Mass Transit Account): Provided, That none of the funds in this Act shall be available for the planning or execution of programs the total obligations for which, in fiscal year 2006, are in excess of $578,176,000 for programs authorized under 23 U.S.C. 402, 405, 406, 408, and 410 and sections 2001(a)(11), 2009, 2010, and 2011 of Public Law 109–59, of which $217,000,000 shall be for ''Highway Safety Programs'' under 23 U.S.C. 402, $25,000,000 shall be for ''Occupant Protection Incentive Grants'' under 23 U.S.C. 405, $124,500,000 shall be for ''Safety Belt Performance Grants'' under 23 U.S.C. 406, $34,500,000 shall be for ''State Traffic Safety Information System Improvements'' under 23 U.S.C. 408, $120,000,000 shall be for ''Alcohol-Impaired Driving Countermeasures Incentive Grant Program'' under 23 U.S.C. 410, $16,176,000 shall be for ''Administrative Expenses'' under section 2001(a)(11) of Public Law 109–59, $29,000,000 shall be for ''High Visibility Enforcement Program'' under section 2009 of Public Law 109–59, $6,000,000 shall be for ''Motorcyclist Safety'' under section 2010 of Public Law 109–59, and $6,000,000 shall be for ''Child Safety and Child Booster Seat Safety Incentive Grants'' under section 2011 of Public Law 109–59: Provided further, That none of these funds shall be used for construction, rehabilitation, or remodeling costs, or for office furnishings and fixtures for State, local or private buildings or structures: Provided further, That not to exceed $500,000 of the funds made available for section 410 ''Alcohol-Impaired Driving Countermeasures Grants'' shall be available for technical assistance to the States: Provided further, That not to exceed $750,000 of the funds made available for the ''High Visibility Enforcement Program'' shall be available for the evaluation required under section 2009(f) of Public Law 109–59.

ADMINISTRATIVE PROVISION—NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

SEC. 125. Notwithstanding any other provision of law or limitation on the use of funds made available under section 403 of title 23, United States Code, an additional $130,000 shall be made available to the National Highway Traffic Safety Administration, out of the amount limited for section 402 of title 23, United States Code, to pay for travel and related expenses for State management reviews and to pay for core competency development training and related expenses for highway safety staff.

FEDERAL RAILROAD ADMINISTRATION

SAFETY AND OPERATIONS

For necessary expenses of the Federal Railroad Administration, not otherwise provided for, $145,949,000, of which $13,856,000 shall remain available until expended.

RAILROAD RESEARCH AND DEVELOPMENT

For necessary expenses for railroad research and development, $55,075,000, to remain available until expended, of which $6,500,000 shall be available for positive train control projects and $7,190,000 shall be available for grants for rail corridor planning, development and improvement and Federal share payable under such grants shall be 50 percent.

RAILROAD REHABILITATION AND IMPROVEMENT PROGRAM

The Secretary of Transportation is authorized to 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 (Public Law 94–210), as amended, in such amounts and at such times as may be necessary to pay any amounts required pursuant to the guarantee of the principal amount of obligations under sections 511 through 513 of such Act, such authority to exist as long as any such guaranteed obligation is outstanding: Provided, That pursuant to section 502 of such Act, as amended, no new direct loans or loan guarantee commitments shall be made using Federal funds for the credit risk premium during fiscal year 2006.

ALASKA RAILROAD REHABILITATION

To enable the Secretary of Transportation to make grants to the Alaska Railroad, $10,000,000, for capital rehabilitation and improvements benefiting its passenger operations, to remain available until expended.

OPERATING SUBSIDY GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

To enable the Secretary of Transportation to make quarterly grants to the National Railroad Passenger Corporation for operation of intercity passenger rail, $495,000,000, to remain available until expended: Provided, That the Secretary of Transportation shall approve funding to cover operating losses for the National Railroad Passenger Corporation only after receiving and reviewing a grant request for each specific train route: Provided further, That each such grant request shall be accompanied by a detailed financial analysis, revenue projection, and capital expenditure projection justifying the Federal support to the Secretary's satisfaction: Provided further, That the Secretary of Transportation shall reserve $60,000,000 of the funds provided under this heading and is authorized to transfer such sums to the Surface Transportation Board, upon request from said Board, to carry out directed service orders issued pursuant to section 11123 of title 49, United States Code, to respond to the cessation of commuter rail operations by the National Railroad Passenger Corporation: Provided further, That the Secretary of Transportation shall make the reserved funds available to the National Railroad Passenger Corporation through an appropriate grant instrument not earlier than September 1, 2006 to the extent that no directed service orders have been issued by the Surface Transportation Board as of the date of transfer or there is a balance of reserved funds not needed by the Board to pay for any directed service order issued through September 30, 2006: Provided further, That the Corporation is directed to achieve savings through operating efficiencies including, but not limited to, modifications to food and beverage service and first class service: Provided further, That the Inspector General of the Department of Transportation shall report to the House and Senate Committees on Appropriations beginning on January 3, 2006 and quarterly thereafter with estimates of the savings accrued as a result of all operational reforms instituted by the National Railroad Passenger Corporation: Provided further, That if the Inspector General cannot certify that the Corporation has achieved operational savings by July 1, 2006, none of the funds in this Act may be used after July 1, 2006, to subsidize the net losses of food and beverage service and sleeper car service on any Amtrak route: Provided further, That of the funds provided under this section, not less than $5,000,000 shall be expended for the development and implementation of a managerial cost accounting system, which includes average and marginal unit cost capability: Provided further, That within 30 days of development of the managerial cost accounting system, the Department of Transportation Inspector General shall review and comment to the Secretary of Transportation and the House and Senate Committees on Appropriations upon the strengths and weaknesses of the system and how it best can be implemented to improve decision making by the Board of Directors and management of the Corporation: Provided further, That not later than 60 days after enactment of this Act, Amtrak shall transmit, in electronic format, to the Secretary of Transportation, the House and Senate Committees on Appropriations, the House Committee on Transportation and Infrastructure and the Senate Committee on Commerce, Science, and Transportation a comprehensive business plan approved by the Board of Directors for fiscal year 2006 under section 24104(a) of title 49, United States Code: Provided further, That the business plan shall include, as applicable, targets for ridership, revenues, and capital and operating expenses: Provided further, That the plan shall also include a separate accounting of such targets for the Northeast Corridor; commuter service; long-distance Amtrak service; State-supported service; each intercity train route, including Autotrain; and commercial activities including contract operations: Provided further, That the business plan shall include a description of the work to be funded, along with cost estimates and an estimated timetable for completion of the projects covered by this business plan: Provided further, That the Corporation shall continue to provide monthly reports in electronic format regarding the pending business plan, which shall describe the work completed to date, any changes to the business plan, and the reasons for such changes, and shall identify all sole source contract awards which shall be accompanied by a justification as to why said contract was awarded on a sole source basis: Provided further, That none of the funds in this Act may be used for operating expenses, including advance purchase orders, not approved by the Secretary of Transportation or on the National Railroad Passenger Corporation's fiscal year 2006 business plan: Provided further, That Amtrak shall display the business plan and all subsequent supplemental plans on the Corporation's website within a reasonable timeframe following their submission to the appropriate entities: Provided further, That none of the funds under this heading may be obligated or expended until the National Railroad Passenger Corporation agrees to continue abiding by the provisions of paragraphs 1, 2, 3, 5, 9, and 11 of the summary of conditions for the direct loan agreement of June 28, 2002, in the same manner as in effect on the date of enactment of this Act: Provided further, That none of the funds provided in this Act may be used after March 1, 2006, to support any route on which Amtrak offers a discounted fare of more than 50 percent off the normal, peak fare.

CAPITAL AND DEBT SERVICE GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

To enable the Secretary of Transportation to make quarterly grants to the National Railroad Passenger Corporation for the maintenance and repair of capital infrastructure owned by the National Railroad Passenger Corporation, including railroad equipment, rolling stock, legal mandates and other services, $780,000,000, to remain available until expended, of which not to exceed $280,000,000 shall be for debt service obligations: Provided, That the Secretary of Transportation shall approve funding for capital expenditures, including advance purchase orders, for the National Railroad Passenger Corporation only after receiving and reviewing a grant request for each specific capital grant justifying the Federal support to the Secretary's satisfaction: Provided further, That none of the funds under this heading may be used to subsidize operating losses of the National Railroad Passenger Corporation: Provided further, That none of the funds under this heading may be used for capital projects not approved by the Secretary of Transportation or on the National Railroad Passenger Corporation's fiscal year 2006 business plan: Provided further, That the Secretary shall determine the cost to the Corporation for the annual Northeast Corridor capital and maintenance costs attributable to commuter rail operations over said Corridor: Provided further, That these costs shall be calculated by the Secretary based on the train mile usage of each commuter rail authority as a percentage of the total number of annual train miles used by all users of the Northeast Corridor or by whatever measure the Secretary believes to be most appropriate: Provided further, That, notwithstanding any other provision of law, the Secretary shall assess fees to each commuter rail authority for any direct capital or maintenance costs associated with that rail authority's usage of the corridor: Provided further, That such assessments shall account fully for whatever direct annual contributions are already being made by each commuter authority for such Northeast Corridor capital and maintenance expenses in that fiscal year: Provided further, That the revenues from such fees shall be merged with this appropriation and be available for obligation and expenditure consistent with the terms and conditions of this paragraph: Provided further, That the Secretary shall transmit to Congress a monthly accounting of charges levied in accordance with the preceding proviso.

EFFICIENCY INCENTIVE GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

For an additional amount to be made available to the Secretary for efficiency incentive grants to the National Railroad Passenger Corporation, $40,000,000, to remain available until expended: Provided, That the Secretary may make grants to the National Railroad Passenger Corporation for an additional sum for operating subsidies at any time during the fiscal year for the purpose of maintaining the operation of existing Amtrak routes: Provided further, That nothing in the previous proviso should be interpreted either to encourage or discourage the Corporation with respect to adjusting existing routes or frequencies: Provided further, That the Secretary may make grants for operating subsidies at any time during the fiscal year in order to avert the Corporation's entry into bankruptcy proceedings: Provided further, That prior to awarding additional operating grants for the purpose of the preceding proviso, the Secretary and the Inspector General of the Department of Transportation shall certify to the Committees on Appropriations of the House of Representatives and the Senate that such grants are necessary to prevent the Corporation from entering bankruptcy: Provided further, That if the Secretary and the Inspector General deem that sufficient operating funds are available to continue operations through the end of fiscal year 2006, then, as of September 1, 2006, the Secretary may make grants to the National Railroad Passenger Corporation at such times and in such amounts for capital improvements that have a direct and measurable short-term impact on reducing operating losses of the National Railroad Passenger Corporation.

ADMINISTRATIVE PROVISIONS—FEDERAL RAILROAD ADMINISTRATION

SEC. 130. The Secretary may purchase promotional items of nominal value for use in public outreach activities to accomplish the purposes of 49 U.S.C. 20134: Provided, That the Secretary shall prescribe guidelines for the administration of such purchases and use.

SEC. 131. Notwithstanding any other provision of law, from funds made available to the Federal Railroad Administration under the heading ''Next Generation High-Speed Rail'' in the Consolidated Appropriations Act of 2005 (Public Law 108–447), the Secretary of Transportation shall award a grant in the amount of $500,000 to the Maine Department of Transportation for Safety and Mitigation Rail Relocation in Auburn, Maine.

SEC. 132. Notwithstanding any other provision of law, funds made available to the Federal Railroad Administration for the Illinois statewide highway-rail crossing safety program on page 1420 of the Joint Explanatory Statement of the Committee of Conference for Public Law 108–447 (House Report 108–792) shall be made available to the Illinois Commerce Commission for the Public Education and Enforcement Research (PEERS) program to improve rail-grade crossing safety through education and enforcement initiatives.

SEC. 133. Notwithstanding any existing Federal legislation, from funds available to the Federal Railroad Administration under the heading of ''Next Generation High-Speed Rail'' in the Consolidated Appropriations Act of 2004, Public Law 108–199; the Secretary of Transportation may award a grant of $1,000,000 to the New Orleans Regional Planning Commission, New Orleans, Louisiana for site planning and an update

of the Master Plan for the Union Passenger Terminal, located at New Orleans, Louisiana.

SEC. 134. Notwithstanding any other provision of law, funds made available to the Federal Railroad Administration for the Spokane Region High Speed Rail Corridor Study on page 1420 of the Joint Explanatory Statement of the Committee of Conference for Public Law 108–447 (House Report 108–792) shall be made available to the Washington State Department of Transportation for grade crossing and related improvements under the Bridging the Valley project between Spokane County, Washington and Kootenai County, Idaho.

SEC. 135. Of the $40,000,000 provided under the heading ''Efficiency Incentive Grants to the National Railroad Passenger Corporation'', and notwithstanding limitation language contained therein, $8,300,000 shall be made available immediately upon enactment of this Act only for a revenue service demonstration of not less than 5,500 carload shipments of premium temperature-controlled express.

FEDERAL TRANSIT ADMINISTRATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses of the Federal Transit Administration's programs authorized by chapter 53 of title 49, United States Code, $80,000,000: Provided, That of the funds available under this heading, not to exceed $925,000 shall be available for the Office of the Administrator; not to exceed $7,325,000 shall be available for the Office of Administration; not to exceed $4,058,200 shall be available for the Office of the Chief Counsel; not to exceed $1,359,300 shall be available for the Office of Communication and Congressional Affairs; not to exceed $7,985,900 shall be available for the Office of Program Management; not to exceed $8,732,500 shall be available for the Office of Budget and Policy; not to exceed $4,763,900 shall be available for the Office of Demonstration and Innovation; not to exceed $3,153,100 shall be available for the Office of Civil Rights; not to exceed $4,127,300 shall be available for the Office of Planning; not to exceed $20,754,000 shall be available for regional offices; and not to exceed $16,815,800 shall be available for the central account: Provided further, That the Administrator is authorized to transfer funds appropriated for an office of the Federal Transit Administration: Provided further, That no appropriation for an office shall be increased or decreased by more than a total of 5 percent during the fiscal year by all such transfers: Provided further, That any change in funding greater than 5 percent shall be submitted for approval to the House and Senate Committees on Appropriations: Provided further, That any funding transferred from the central account shall be submitted for approval to the House and Senate Committees on Appropriations: Provided further, That none of the funds provided or limited in this Act may be used to create a permanent office of transit security under this heading: Provided further, That of the funds in this Act available for the execution of contracts under section 5327(c) of title 49, United States Code, $2,000,000 shall be reimbursed to the Department of Transportation's Office of Inspector General for costs associated with audits and investigations of transit-related issues, including reviews of new fixed guideway systems: Provided further, That upon submission to the Congress of the fiscal year 2007 President's budget, the Secretary of Transportation shall transmit to Congress the annual report on new starts, including proposed allocations of funds for fiscal year 2007.

FORMULA AND BUS GRANTS

(LIQUIDATION OF CONTRACT AUTHORITY)

(LIMITATION ON OBLIGATIONS)

(INCLUDING TRANSFER OF FUNDS)

For payment of obligations incurred in carrying out the provisions of 49 U.S.C. 5305, 5307, 5308, 5309, 5310, 5311, 5317, 5320, 5335, 5339, and 5340 and section 3038 of Public Law 105–178, as amended, $1,500,000,000, to be derived from the Mass Transit Account of the Highway Trust Fund and to remain available until expended: Provided, That funds available for the implementation or execution of programs authorized under 49 U.S.C. 5305, 5307, 5308, 5309, 5310, 5311, 5317, 5320, 5335, 5339, and 5340 and section 3038 of Public Law 105–178, as amended, shall not exceed total obligations of $6,979,931,000 in fiscal year 2006: Provided further, That of the funds made available to carry out capital projects to modernize fixed guideway systems authorized under 49 U.S.C. 5309(b)(2), $47,766,000 shall be transferred to the Capital Investment Grants account and made available to carry out new fixed guideway capital projects identified in this Act and in accordance with the applicable provisions of 49 U.S.C. 5309: Provided further, That except as provided in section 3044(b)(1) of Public Law 109–59, funds made available to carry out 49 U.S.C. 5308 shall instead be available to carry out 49 U.S.C. 5309(b)(3).

RESEARCH AND UNIVERSITY RESEARCH CENTERS

For necessary expenses to carry out 49 U.S.C. 5306, 5312–5315, 5322, and 5506, $75,200,000, to remain available until expended: Provided, That $9,000,000 is available to carry out the transit cooperative research program under section 5313 of title 49, United States Code, $4,300,000 is available for the National Transit Institute under section 5315 of title 49, United States Code, $7,000,000 is available for university transportation centers program under section 5506 of title 49, United States Code: Provided further, That $54,200,000 is available to carry out national research programs under sections 5312, 5313, 5314, and 5322 of title 49, United States Code.

CAPITAL INVESTMENT GRANTS

For necessary expenses to carry out section 5309 of title 49, United States Code, $1,455,234,000, to remain available until expended as follows:

ACE Gap Closure San Joaquin County, California, $5,000,000;

Alaska and Hawaii ferry projects, $15,000,000;

Ann Arbor/Detroit Commuter Rail, Michigan, $5,000,000;

Atlanta Beltline/C-Loop, Georgia, $1,000,000;

Baltimore Central Light Rail Double Track Project, Maryland, $12,420,000;

Baltimore Red Line and Green Line, Maryland, $2,000,000;

Boston/Fitchburg, Massachusetts Rail Corridor, $2,000,000;

Central Corridor/St. Paul-Minneapolis, Minnesota, $2,000,000;

Central Florida Commuter Rail, $11,000,000;

Central Phoenix/East Valley LRT, Arizona, $90,000,000;

Charlotte South Corridor Light Rail Project, North Carolina, $55,000,000;

City of Miami Streetcar, Florida, $2,000,000;

City of Rock Hill Trolley Study, South Carolina, $400,000;

Commuter Rail, Albuquerque to Santa Fe, New Mexico, $500,000;

Commuter Rail, Utah, $9,000,000;

CORRIDORone Regional Rail Project, Pennsylvania, $1,500,000;

CTA Douglas Blue Line, Illinois, $45,150,000;

CTA Ravenswood Brown Line, Illinois, $40,000,000;

CTA Yellow Line, Illinois, $1,000,000;

Dallas Northwest/Southeast Light Rail MOS, Texas, $12,000,000;

Denali Commission, Alaska, $5,000,000;

Detroit Center City Loop, Michigan, $4,000,000;

Dulles Corridor Rapid Transit Project, Virginia, $26,000,000;

East Corridor Commuter Rail, Nashville, Tennessee, $6,000,000;

East Side Access Project, New York, $340,000,000;

Euclid Corridor Transportation Project, Ohio, $24,770,000;

Fort Lauderdale Downtown Rail Link, Florida, $1,000,000;

Gainesville-Haymarket VRE Service Extension, Virginia, $1,450,000;

Hartford-New Britain Busway, Connecticut, $6,000,000;

Houston METRO, Texas, $12,000,000;

Hudson-Bergen Light Rail MOS 2, New Jersey, $100,000,000;

Kansas City, Missouri, Southtown BRT, $12,300,000;

Metra, Illinois, $42,180,000;

Metro Gold Line Eastside Light Rail Extension, California, $80,000,000;

Miami Dade County Metrorail Extension, Florida, $10,000,000;

Mid-Coast Light Rail Transit Extension, California, $7,160,000;

Mid-Jordan Light Rail Transit Line, Utah, $500,000;

Mission Valley East, California, $7,700,000;

N. Indiana Commuter Transit District Recapitalization, $5,000,000;

New Jersey Trans-Hudson Midtown Corridor, New Jersey, $12,315,000;

North Corridor Interstate MAX Light Rail Project, Oregon, $18,110,000;

North Shore Connector, Pennsylvania, $55,000,000;

North Shore Corridor and Blue Line Extension, Massachusetts, $2,000,000;

Northeast Corridor Commuter Rail Project, Delaware, $1,425,000;

Northern Branch Bergen County, New Jersey, $2,500,000;

Northstar Corridor Commuter Rail Project, Minnesota, $2,000,000;

Northwest New Jersey—Northeast Pennsylvania Passenger Rail, $10,000,000;

Oceanside Escondido Rail Project, California, $12,210,000;

Odgen Avenue Transit Corridor/Circle Line, Illinois, $1,000,000;

Regional Fixed Guideway Project, Nevada, $3,000,000;

Rhode Island Integrated Commuter Rail Project, Rhode Island, $6,000,000;

San Francisco BART Extension to San Francisco International Airport, California, $81,860,000;

San Francisco Muni Third Street Light Rail Project, California, $25,000,000;

San Juan Tren Urbano, Puerto Rico, $8,045,487;

Santa Barbara Coast Rail Track Improvement Project, California, $1,000,000;

Schuylkill Valley Metro, Pennsylvania, $2,000,000;

Seattle Sound Transit, Washington, $80,000,000;

Second Avenue Subway, New York, $25,000,000;

Silicon Valley Rapid Transit Corridor Project, Santa Clara County, California, $6,500,000;

Silver Line Phase III, Massachusetts, $4,000,000;

Sounder Commuter Rail, Washington, $5,000,000;

Southeast Corridor Multi-Modal Project (T–REX), Colorado, $80,000,000;

Stamford Urban Transitway, Connecticut, $10,000,000;

Triangle Transit Authority Regional Rail System (Raleigh-Durham), North Carolina, $20,000,000;

Washington County Commuter Rail Project, Oregon, $15,000,000;

West Corridor Light Rail, Colorado, $5,000,000.

ADMINISTRATIVE PROVISIONS—FEDERAL TRANSIT ADMINISTRATION

SEC. 140. The limitations on obligations for the programs of the Federal Transit Administration shall not apply to any authority under 49 U.S.C. 5338, previously made available for obligation, or to any other authority previously made available for obligation.

SEC. 141. Notwithstanding any other provision of law, and except for fixed guideway modernization projects, funds made available by this

Act under ''Federal Transit Administration, Capital investment grants'' for projects specified in this Act or identified in reports accompanying this Act not obligated by September 30, 2008, and other recoveries, shall be made available for other projects under 49 U.S.C. 5309.

SEC. 142. Notwithstanding any other provision of law, any funds appropriated before October 1, 2005, under any section of chapter 53 of title 49, United States Code, that remain available for expenditure may be transferred to and administered under the most recent appropriation heading for any such section.

SEC. 143. Notwithstanding any other provision of law, unobligated funds made available for a new fixed guideway systems project under the heading ''Federal Transit Administration, Capital Investment Grants'' in any appropriations Act prior to this Act may be used during this fiscal year to satisfy expenses incurred for such projects.

SEC. 144. Funds made available for Alaska or Hawaii ferry boats or ferry terminal facilities pursuant to 49 U.S.C. 5309(m)(2)(B) may be used to construct new vessels and facilities, or to improve existing vessels and facilities, including both the passenger and vehicle-related elements of such vessels and facilities, and for repair facilities: Provided, That not more than $3,000,000 of the funds made available pursuant to 49 U.S.C. 5309(m)(2)(B) may be used by the State of Hawaii to initiate and operate a passenger ferryboat services demonstration project to test the viability of different intra-island and inter-island ferry boat routes and technology: Provided further, That notwithstanding 49 U.S.C. 5302(a)(7), funds made available for Alaska or Hawaii ferry boats may be used to acquire passenger ferry boats and to provide passenger ferry transportation services within areas of the State of Hawaii under the control or use of the National Park Service.

SEC. 145. Amounts made available from the bus category of the Capital Investment Grants Account or Discretionary Grants Account in this or any other previous Appropriations Act that remain unobligated or unexpended in a grant for a multimodal transportation facility in Burlington, Vermont, may be used for site-preparation and design purposes of a multimodal transportation facility in a different location within Burlington, Vermont, than originally intended notwithstanding previous expenditures incurred such purposes at the original location.

SEC. 146. Notwithstanding any other provision of law, funds designated in the conference report accompanying Public Law 108–447 and Public Law 108–199 for the King County Metro Park and Ride on First Hill, Seattle, Washington, shall be available to the Swedish Hospital parking garage, Seattle, Washington, subject to the same conditions and requirements of section 125 of division H of Public Law 108–447.

SEC. 147. Funds in this Act that are apportioned to the Charleston Area Regional Transportation Authority to carry out section 5307 of title 49, United States Code, may be used to acquire land, equipment, or facilities used in public transportation from another governmental authority in the same geographic area: Provided, That the non-Federal share under section 5307 may include revenues from the sale of advertising and concessions.

SEC. 148. Notwithstanding any other provision of law, any unobligated funds designated to the Jacksonville Transportation Authority, Community Transportation Coordinator Program under the heading ''Job Access and Reverse Commute Grants'' in the statement of the managers accompanying Public Law 108–199 may be made available to the Jacksonville Transportation Authority for any purpose authorized under the Job Access and Reverse Commute program.

SEC. 149. Notwithstanding any other provision of law, any funds made available to the South Shore Commuter Rail, Indiana, project under the Federal Transit Administration Capital Investment Grants Account in Division H of Public Law 108–447 that remain available may be used for remodernization of the South Shore Commuter Rail system.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

The Saint Lawrence Seaway Development Corporation is hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to the Corporation, and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Government Corporation Control Act, as amended, as may be necessary in carrying out the programs set forth in the Corporation's budget for the current fiscal year.

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

For necessary expenses for operations and maintenance of those portions of the Saint Lawrence Seaway operated and maintained by the Saint Lawrence Seaway Development Corporation, $16,284,000, to be derived from the Harbor Maintenance Trust Fund, pursuant to Public Law 99–662.

MARITIME ADMINISTRATION

MARITIME SECURITY PROGRAM

For necessary expenses to maintain and preserve a U.S.-flag merchant fleet to serve the national security needs of the United States, $156,000,000, to remain available until expended.

OPERATIONS AND TRAINING

For necessary expenses of operations and training activities authorized by law, $122,249,000 of which $23,750,000 shall remain available until September 30, 2006, for salaries and benefits of employees of the United States Merchant Marine Academy; of which $15,000,000 shall remain available until expended for capital improvements at the United States Merchant Marine Academy; and of which $8,211,000 shall remain available until expended for the State Maritime Schools Schoolship Maintenance and Repair.

SHIP DISPOSAL

For necessary expenses related to the disposal of obsolete vessels in the National Defense Reserve Fleet of the Maritime Administration, $21,000,000, to remain available until expended.

MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the guaranteed loan program, not to exceed $4,126,000, which shall be transferred to and merged with the appropriation for Operations and Training.

SHIP CONSTRUCTION

(RESCISSION)

Of the unobligated balances available under this heading, $2,071,280 are rescinded.

ADMINISTRATIVE PROVISIONS—MARITIME ADMINISTRATION

SEC. 150. Notwithstanding any other provision of this Act, the Maritime Administration is authorized to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property under control of the Maritime Administration, and payments received therefore shall be credited to the appropriation charged with the cost thereof: Provided, That rental payments under any such lease, contract, or occupancy for items other than such utilities, services, or repairs shall be covered into the Treasury as miscellaneous receipts.

SEC. 151. No obligations shall be incurred during the current fiscal year from the construction fund established by the Merchant Marine Act, 1936 (46 App. U.S.C. 1101 et seq.), or otherwise, in excess of the appropriations and limitations contained in this Act or in any prior appropriations Act.

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

ADMINISTRATIVE EXPENSES

For necessary administrative expenses of the Pipeline and Hazardous Materials Safety Administration, $16,877,000, of which $645,000 shall be derived from the Pipeline Safety Fund.

HAZARDOUS MATERIALS SAFETY

For expenses necessary to discharge the hazardous materials safety functions of the Pipeline and Hazardous Materials Safety Administration, $26,138,000, of which $1,847,000 shall remain available until September 30, 2008: Provided, That up to $1,200,000 in fees collected under 49 U.S.C. 5108(g) shall be deposited in the general fund of the Treasury as offsetting receipts: Provided further, That there may be credited to this appropriation, to be available until expended, funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training, for reports publication and dissemination, and for travel expenses incurred in performance of hazardous materials exemptions and approvals functions.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

(OIL SPILL LIABILITY TRUST FUND)

For expenses necessary to conduct the functions of the pipeline safety program, for grants-in-aid to carry out a pipeline safety program, as authorized by 49 U.S.C. 60107, and to discharge the pipeline program responsibilities of the Oil Pollution Act of 1990, $73,010,000, of which $15,000,000 shall be derived from the Oil Spill Liability Trust Fund and shall remain available until September 30, 2008; of which $58,010,000 shall be derived from the Pipeline Safety Fund, of which $24,000,000 shall remain available until September 30, 2008: Provided, That not less than $1,000,000 of the funds provided under this heading shall be for the one-call State grant program.

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

For necessary expenses to carry out 49 U.S.C. 5127(c), $200,000, to be derived from the Emergency Preparedness Fund, to remain available until September 30, 2007: Provided, That not more than $14,300,000 shall be made available for obligation in fiscal year 2006 from amounts made available by 49 U.S.C. 5116(i) and 5127(d): Provided further, That none of the funds made available by 49 U.S.C. 5116(i), 5127(c), and 5127(d) shall be made available for obligation by individuals other than the Secretary of Transportation, or his designee.

RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION

RESEARCH AND DEVELOPMENT

For necessary expenses of the Research and Innovative Technology Administration, $5,774,000, of which $1,121,000 shall remain available until September 30, 2008: Provided, That there may be credited to this appropriation, to be available until expended, funds received from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General to carry out the provisions of the Inspector General Act of 1978, as amended, $62,499,000: Provided, That the Inspector General shall have all necessary authority, in carrying out the duties specified in the Inspector General Act, as amended (5 U.S.C. App. 3), to investigate allegations of fraud, including false statements to the government (18 U.S.C. 1001), by any person or entity that is subject to regulation by the Department: Provided further, That the funds made available under this heading shall be used to investigate, pursuant to section 41712 of title 49, United States Code: (1) unfair

or deceptive practices and unfair methods of competition by domestic and foreign air carriers and ticket agents; and (2) the compliance of domestic and foreign air carriers with respect to item (1) of this proviso.

SURFACE TRANSPORTATION BOARD

SALARIES AND EXPENSES

For necessary expenses of the Surface Transportation Board, including services authorized by 5 U.S.C. 3109, $26,450,000: Provided, That notwithstanding any other provision of law, not to exceed $1,250,000 from fees established by the Chairman of the Surface Transportation Board shall be credited to this appropriation as offsetting collections and used for necessary and authorized expenses under this heading: Provided further, That the sum herein appropriated from the general fund shall be reduced on a dollar-for-dollar basis as such offsetting collections are received during fiscal year 2006, to result in a final appropriation from the general fund estimated at no more than $25,200,000.

ADMINISTRATIVE PROVISIONS—DEPARTMENT OF TRANSPORTATION

(INCLUDING TRANSFERS OF FUNDS)

SEC. 160. During the current fiscal year applicable appropriations to the Department of Transportation shall be available for maintenance and operation of aircraft; hire of passenger motor vehicles and aircraft; purchase of liability insurance for motor vehicles operating in foreign countries on official department business; and uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901–5902).

SEC. 161. Appropriations contained in this Act for the Department of Transportation shall be available for services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for an Executive Level IV.

SEC. 162. None of the funds in this Act shall be available for salaries and expenses of more than 108 political and Presidential appointees in the Department of Transportation: Provided, That none of the personnel covered by this provision may be assigned on temporary detail outside the Department of Transportation.

SEC. 163. None of the funds in this Act shall be used to implement section 404 of title 23, United States Code.

SEC. 164. (a) No recipient of funds made available in this Act shall disseminate personal information (as defined in 18 U.S.C. 2725(3)) obtained by a State department of motor vehicles in connection with a motor vehicle record as defined in 18 U.S.C. 2725(1), except as provided in 18 U.S.C. 2721 for a use permitted under 18 U.S.C. 2721.

(b) Notwithstanding subsection (a), the Secretary shall not withhold funds provided in this Act for any grantee if a State is in noncompliance with this provision.

SEC. 165. Funds received by the Federal Highway Administration, Federal Transit Administration, and Federal Railroad Administration from States, counties, municipalities, other public authorities, and private sources for expenses incurred for training may be credited respectively to the Federal Highway Administration's ''Federal-Aid Highways'' account, the Federal Transit Administration's ''Transit Planning and Research'' account, and to the Federal Railroad Administration's ''Safety and Operations'' account, except for State rail safety inspectors participating in training pursuant to 49 U.S.C. 20105.

SEC. 166. Notwithstanding any other provisions of law, rule or regulation, the Secretary of Transportation is authorized to allow the issuer of any preferred stock heretofore sold to the Department to redeem or repurchase such stock upon the payment to the Department of an amount determined by the Secretary.

SEC. 167. None of the funds in this Act to the Department of Transportation may be used to make a grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations not less than 3 full business days before any discretionary grant award, letter of intent, or full funding grant agreement totaling $1,000,000 or more is announced by the department or its modal administrations from: (1) any discretionary grant program of the Federal Highway Administration other than the emergency relief program; (2) the airport improvement program of the Federal Aviation Administration; or (3) any program of the Federal Transit Administration other than the formula grants and fixed guideway modernization programs: Provided, That no notification shall involve funds that are not available for obligation.

SEC. 168. Rebates, refunds, incentive payments, minor fees and other funds received by the Department of Transportation from travel management centers, charge card programs, the subleasing of building space, and miscellaneous sources are to be credited to appropriations of the Department of Transportation and allocated to elements of the Department of Transportation using fair and equitable criteria and such funds shall be available until expended.

SEC. 169. Amounts made available in this or any other Act that the Secretary determines represent improper payments by the Department of Transportation to a third party contractor under a financial assistance award, which are recovered pursuant to law, shall be available—

(1) to reimburse the actual expenses incurred by the Department of Transportation in recovering improper payments; and

(2) to pay contractors for services provided in recovering improper payments: Provided, That amounts in excess of that required for paragraphs (1) and (2)—

(A) shall be credited to and merged with the appropriation from which the improper payments were made, and shall be available for the purposes and period for which such appropriations are available; or

(B) if no such appropriation remains available, shall be deposited in the Treasury as miscellaneous receipts: Provided, That prior to the transfer of any such recovery to an appropriations account, the Secretary shall notify the House and Senate Committees on Appropriations of the amount and reasons for such transfer: Provided further, That for purposes of this section, the term ''improper payments'', has the same meaning as that provided in section 2(d)(2) of Public Law 107–300.

SEC. 170. The Secretary of Transportation is authorized to transfer the unexpended balances available for the bonding assistance program from ''Office of the Secretary, Salaries and expenses'' to ''Minority Business Outreach''.

SEC. 171. None of the funds made available in this Act to the Department of Transportation may be obligated for the Office of the Secretary of Transportation to approve assessments or reimbursable agreements pertaining to funds appropriated to the modal administrations in this Act, except for activities underway on the date of enactment of this Act, unless such assessments or agreements have completed the normal reprogramming process for Congressional notification.

SEC. 172. None of the funds made available under this Act may be obligated or expended to establish or implement a pilot program under which not more than 10 designated essential air service communities located in proximity to hub airports are required to assume 10 percent of their essential air subsidy costs for a 4-year period commonly referred to as the EAS local participation program.

SEC. 173. (a) Section 14710(a) of title 49, United States Code, is amended—

(1) by striking ''a State authority may'' and inserting ''a State authority other than the attorney general of the state may, as parens patriae,''; and

(2) by inserting the following after the first sentence: ''Any civil action for injunctive relief to enjoin such delivery or transportation or to compel a person to pay a fine or penalty assessed under chapter 149 shall be brought in an appropriate district court of the United States.''.

(b) Section 14710(b) of title 49, United States Code, is amended to read as follows:

''(b) EXERCISE OF ENFORCEMENT AUTHORITY.—The authority of this section shall be exercised subject to the requirements of sections 14711(b)–(f) of this title.''.

(c) Section 14711(b)(1) of title 49, United States Code, is amended by inserting the following at the end:

''The State may initiate a civil action under subsection (a) if it is reviewable under subsectin (b)(2).''.

(d) Section 14711(b)(4) of title 49, United States Code, is amended by inserting ''that is subject to review under subsection (b)(2)'' before ''if the Secretary''.

(e) The amendments made by this section shall cease to be in effect after September 30, 2006.

SEC. 174. Section 112(b)(2) of title 23, United States Code, is amended—

(1) in subparagraph (A), by striking ''title 40'' and all that follows through the period and inserting ''title 40.'';

(2) by striking subparagraph (B);

(3) by redesignating subparagraphs (C) through (G) as subparagraphs (B) through (F), respectively;

(4) in subparagraph (E) (as redesignated by paragraph (3)), in the first sentence, by striking ''subparagraph (E)'' and inserting ''subparagraph (D)''; and

(5) in subparagraph (F) (as redesignated by paragraph (3)), by striking ''State Option'' and all that follows through the period and inserting ''(F) Subparagraphs (B), (C), (D) and (E) herein shall not apply to the States of West Virginia or Minnesota.''.

SEC. 175. Notwithstanding any provision of law, the Secretary of Transportation is authorized and directed to make project grants under chapter 471 of title 49, United States Code, from funds available for fiscal year 2006 and thereafter under 49 U.S.C. 48103, for the cost of acquisition of land, or reimbursement of the cost of land if purchased prior to enactment of this provision and prior to a grant agreement, for nonexclusive use aeronautical purposes on an airport layout plan that has been approved by the Secretary on January 23, 2004, pursuant to section 49 U.S.C. 47107(a)(16), for any small hub airport as defined in 49 U.S.C. 47102, and had scheduled or chartered direct international flights totaling at least 200 million pounds gross aircraft landed weight for calendar year 2002.

SEC. 176. (a) Section 47108 of title 49, United States Code, is amended in subsection (e) by adding the following new paragraph at the end:

''(3) CHANGES TO NONHUB PRIMARY STATUS.—If the status of a nonhub primary airport changes to a small hub primary airport at a time when the airport has received discretionary funds under this chapter for a terminal development project in accordance with section 47110(d)(2), and the project is not yet completed, the project shall remain eligible for funding from the discretionary fund and the small airport fund to pay costs allowable under section 47110(d). Such project shall remain eligible for such funds for three fiscal years after the start of construction of the project, or if the Secretary determines that a further extension of eligibility is justified, until the project is completed.''.

(b) CONFORMING AMENDMENT.—Section 47110(d)(2)(A) is amended by striking ''(A) the'' and inserting ''(A) except as provided in section 47108(e)(3), the''.

SEC. 177. Section 40128(e) of title 49, United States Code, is amended by adding at the end the following: ''For purposes of this subsection, an air tour operator flying over the Hoover Dam in the Lake Mead National Recreation Area en route to the Grand Canyon National Park shall be deemed to be flying solely as a transportation route.''. Nothing in this provision shall allow

exemption from overflight rules for the Grand Canyon.

SEC. 178. Section 145(c) of the Aviation and Transportation Security Act (49 U.S.C. 40101 note) is amended by striking ''November 19, 2005.'' and inserting ''November 30, 2006.''.

SEC. 179. (a)(1) This section shall apply to a former employee of the Federal Aviation Administration, who—

(A) was involuntarily separated as a result of the reorganization of the Flight Services Unit following the outsourcing of flight service duties to a contractor;

(B) was not eligible by October 3, 2005 for an immediate annuity under a Federal retirement system; and

(C) assuming continued Federal employment, would attain eligibility for an immediate annuity under section 8336(d) or 8414(b) of title 5, United States Code, not later than October 4, 2007.

(2) Notwithstanding any other provision of law, during the period beginning on the date of enactment of this Act and ending October 4, 2007, an employee described under paragraph (1) may, with the approval of the Administrator of the Federal Aviation Administration or the designee of the Administrator, accept an assignment to such contractor within 14 days after the date of enactment of this section.

(3) Except as provided in subsection (c), an employee appointed under paragraph (1)—

(A) shall be a temporary Federal employee for the duration of the assignment;

(B) notwithstanding such temporary status, shall retain previous enrollment or participation in Federal employee benefits programs under chapters 83, 84, 87, and 89 of title 5, United States Code; and

(C) shall be considered to have not had a break in service for purposes of chapters 83, 84, and sections 8706(b) and 8905(b) of title 5, United States Code, except no service credit or benefits shall be extended retroactively.

(4) An assignment and temporary appointment under this section shall terminate on the earlier of—

(A) October 4, 2007; or

(B) the date on which the employee first becomes eligibility for an immediate annuity under section 8336(d) or 8414(b) of title 5, United States Code.

(5) Such funds as may be necessary are authorized for the Federal Aviation Administration to pay the salary and benefits of an employee assigned under this section, but no funds are authorized to reimburse the employing contractor for the salary and benefits of an employee so assigned.

(b) An employee who was involuntarily separated as a result of the reorganization of the Flight Services Unit following the outsourcing of flight service duties to a contractor, and was eligible to use annual leave under the conditions of section 6302(g) of title 5, United States Code, may use such leave to—

(1) qualify for an immediate annuity or to meet the age or service requirements for an enhanced annuity that the employee could qualify for under sections 8336, 8412, or 8414; or

(2) to meet the requirements under section 8905(b) of title 5, United States Code, to qualify to continue health benefits coverage after retirement from service.

(c)(1) Nothing in this section shall—

(A) affect the validity or legality of the reduction-in-force actions of the Federal Aviation Administration effective October 3, 2005; or

(B) create any individual rights of actions regarding such reduction-in-force or any other actions related to or arising under the competitive sourcing of flight services.

(2) An employee subject to this section shall not be—

(A) covered by chapter 71 of title 5, United States Code, while on the assignment authorized by this section; or

(B) subject to section 208 of title 18, United States Code.

(3) Temporary employees assigned under this section shall not be Federal employees for purposes of chapter 171 of title 28, United States Code (commonly referred to as the Federal Tort Claims Act). Chapter 171 of title 28, United States Code (commonly referred to as the Federal Tort Claims Act) and any other Federal tort liability statute shall not apply to an employee who is assigned to a contractor under subsection (a).

SEC. 180. (a) In this section:

(1) The term ''Conservation Area'' means the Sloan Canyon National Conservation Area established by section 604(a) of the Clark County Conservation of Public Land and Natural Resources Act of 2002 (116 Stat. 2010).

(2) The term ''County'' means Clark County, Nevada.

(3)(A) The term ''helicopter tour'' means a commercial helicopter tour operated for profit.

(B) The term ''helicopter tour'' does not include a helicopter tour that is carried out to assist a Federal, State, or local agency.

(4) The term ''Secretary'' means the Secretary of the Interior.

(5) The term ''Wilderness'' means the North McCullough Mountains Wilderness established by section 202(a)(13) of the Clark County Conservation of Public Land and Natural Resources Act of 2002 (116 Stat. 2000).

(b) As soon as practicable after the date of enactment of this Act, the Secretary shall convey to the County, subject to valid existing rights, for no consideration, all right, title, and interest of the United States in and to the parcel of land described in subsection (c).

(c) The parcel of land to be conveyed under subsection (b) is the parcel of approximately 229 acres of land depicted as tract A on the map entitled ''Clark County Public Heliport Facility'' and dated May 3, 2004.

(d)(1) The parcel of land conveyed under subsection (b)—

(A) shall be used by the County for the operation of a heliport facility under the conditions stated in paragraphs (2), (3), and (4); and

(B) shall not be disposed of by the County.

(2)(A) Any operator of a helicopter tour originating from or concluding at the parcel of land described in subsection (c) shall pay to the Clark County Department of Aviation a $3 conservation fee for each passenger on the helicopter tour if any portion of the helicopter tour occurs over the Conservation Area.

(B)(i) Not earlier than 10 years after the date of enactment of this Act and every 10 years thereafter, the Secretary shall conduct a review to determine whether to raise the amount of the conservation fee.

(ii) After conducting a review under clause (i) and providing an opportunity for public comment, the Secretary may raise the amount of the conservation fee in an amount determined to be appropriate by the Secretary, but by not more than 50 percent of the amount of the conservation fee in effect on the day before the date of the increase.

(3)(A) The amounts collected under paragraph (2) shall be deposited in a special account in the Treasury of the United States.

(B) Of the amounts deposited under subparagraph (A)—

(i) ⅔ of the amounts shall be available to the Secretary, without further appropriation, for the management of cultural, wildlife, and wilderness resources on public land in the State of Nevada; and

(ii) ⅓ of the amounts shall be available to the Director of the Bureau of Land Management, without further appropriation, for the conduct of Bureau of Land Management operations for the Conservation Area and the Red Rock Canyon National Conservation Area.

(4)(A) Except for safety reasons, any helicopter tour originating or concluding at the parcel of land described in subsection (c) that flies over the Conservation Area shall not fly—

(i) over any area in the Conservation Area except the area that is between 3 and 5 miles north of the latitude of the southernmost boundary of the Conservation Area;

(ii) lower than 1,000 feet over the eastern segments of the boundary of the Conservation Area; or

(iii) lower than 500 feet over the western segments of the boundary of the Conservation Area.

(B) The Administrator of the Federal Aviation Administration shall establish a special flight rules area and any operating procedures that the Administrator determines to be necessary to implement subparagraph (A).

(5) If the County ceases to use any of the land described in subsection (c) for the purpose described in paragraph (1)(A) and under the conditions stated in paragraph (2)—

(A) title to the parcel shall revert to the United States, at the option of the United States; and

(B) the County shall be responsible for any reclamation necessary to revert the parcel to the United States.

(e) The Secretary shall require, as a condition of the conveyance under subsection (b), that the County pay the administrative costs of the conveyance, including survey costs and any other costs associated with the transfer of title.

SEC. 181. The first sentence of section 29(c) of the International Air Transportation Competition Act of 1979 (Public Law 96–192; 94 Stat. 48) is amended by inserting ''Missouri,'' before ''and Texas''.

SEC. 182. Notwithstanding any other provision of law, none of the funds provided in or limited by this Act may be obligated or expended to provide a budget justification for fiscal year 2007 concurrently with the President's annual budget submission to Congress under section 1105(a) of title 31, United States Code, to any congressional committee other than the House and Senate Committees on Appropriations prior to May 31, 2006.

SEC. 183. Notwithstanding any other provision of law, if any funds provided in or limited by this Act are subject to a reprogramming action that requires notice to be provided to the House and Senate Committees on Appropriations, said reprogramming action shall be approved or denied solely by the Committees on Appropriations: Provided, That the Secretary may provide notice to other congressional committees of the action of the Committees on Appropriations on such reprogramming but not sooner than 30 days following the date on which the reprogramming action has been approved or denied by the House and Senate Committees on Appropriations.

SEC. 184. Notwithstanding any other provision of law, the projects numbered 5094 and 5096 in the table contained in section 1702 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109–59; 119 Stat. 1144) shall be subject to section 120(c) of title 23, United States Code.

SEC. 185. For necessary expenses, including an independent verification regime, to reimburse fixed-based general aviation operators and the providers of general aviation ground support services at Ronald Reagan Washington National Airport; College Park Airport in College Park, Maryland; Potomac Airpark in Fort Washington, Maryland; Washington Executive/Hyde Field in Clinton, Maryland; and Washington South Capitol Street Heliport in Washington, DC; for direct and incremental financial losses incurred while such airports were closed to general aviation operations, or as of the date of enactment of this provision in the case of airports that have not reopened to such operations, by these operators and service providers solely due to the actions of the Federal government following the terrorist attacks on the United States that occurred on September 11, 2001, not to exceed $17,000,000, to be available until expended: Provided, That of this amount not to exceed $5,000,000 shall be available on a pro-rata basis, if necessary, to fixed-based general aviation operators and the providers of general aviation

ground support services located at College Park Airport in College Park, Maryland; Potomac Airpark in Fort Washington, Maryland; and Washington Executive/Hyde Field in Clinton, Maryland: Provided further, That no funds shall be obligated or distributed to fixed-based general aviation operators and providers of general aviation ground support services until an independent audit is completed:

Provided further, That losses incurred as a result of violations of law, or through fault or negligence, of such operators and service providers or of third parties (including airports) are not eligible for reimbursement: Provided further, That obligation and expenditure of funds are conditional upon full release of the United States Government for all claims for financial losses resulting from such actions.

SEC. 186. Notwithstanding any other provision of law, any amounts made available pursuant to Public Law 109–59 for the Gravina Island bridge and the Knik Arm bridge shall be made available to the Alaska Department of Transportation and Public Facilities for any purpose eligible under section 133(b) of title 23, United States Code: Provided, That in allocating funds for the equity bonus program under section 105 of such title, the Secretary shall make the calculations required under that section as if this section had not been enacted: Provided further, That the descriptions for High Priority Projects #406, the Gravina Island bridge, and #2465, the Knik Arm bridge, in section 1702 of Public Law 109–59 are hereby deleted and in their place is inserted ''the Alaska Department of Transportation and Public Facilities''.

SEC. 187. (a) In addition to amounts available to carry out section 10204 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109–59) as of the date of enactment of this Act, of the amounts made available by section 112 of this Act, $1,000,000 shall be used by the Secretary of Transportation and the Secretary of Homeland Security to jointly—

(1) complete the review and assessment of catastrophic hurricane evacuation plans under that section; and

(2) submit to Congress, not later than June 1, 2006, the report described in subsection (d) of that section.

(b) Section 10204 of the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (Public Law 109–59) is amended—

(1) in subsection (a)—

(A) by inserting after ''evacuation plans'' the following: ''(including the costs of the plans)''; and

(B) by inserting ''and other catastrophic events'' before ''impacting'';

(2) in subsection (b), by striking ''and local'' and inserting ''parish, county, and municipal''; and

(3) in subsection (c)—

(A) in paragraph (1), by inserting ''safe and'' before ''practical'';

(B) in paragraph (2), by inserting after ''States'' the following: ''and adjoining jurisdictions'';

(C) in paragraph (3), by striking ''and'' after the semicolon at the end;

(D) in paragraph (4), by striking the period at the end and inserting a semicolon; and

(E) by adding at the end the following:

''(5) the availability of food, water, restrooms, fueling stations, and shelter opportunities along the evacuation routes;

''(6) the time required to evacuate under the plan; and

''(7) the physical and mental strains associated with the evacuation.''.

This title may be cited as the ''Department of Transportation Appropriations Act, 2006''.

TITLE II

DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Departmental Offices including operation and maintenance of the Treasury Building and Annex; hire of passenger motor vehicles; maintenance, repairs, and improvements of, and purchase of commercial insurance policies for, real properties leased or owned overseas, when necessary for the performance of official business, not to exceed $3,000,000 for official travel expenses; $196,592,000, of which not to exceed $8,642,000 is for executive direction program activities; not to exceed $7,852,000 is for general counsel program activities; not to exceed $32,011,000 is for economic policies and programs activities; not to exceed $26,574,000 is for financial policies and programs activities; pursuant to section 3004(b) of the Exchange Rates and International Economic Policy Coordination Act of 1988 (22 U.S.C. 5304(b)), not to exceed $1,000,000, to remain available until expended, is for the Secretary of the Treasury, in conjunction with the President, to implement said subsection as it pertains to governments and trade violations involving currency manipulation and other trade violations; not to exceed $39,939,000 is for financial crimes policies and programs activities; not to exceed $16,843,000 is for Treasury-wide management policies and programs activities; and not to exceed $63,731,000 is for administration programs activities: Provided, That of the amount appropriated for financial crimes policies and programs activities, $22,032,016 is for the Office of Foreign Assets Control and shall support no less than 125 full time equivalent positions: Provided further, That the Secretary of the Treasury is authorized to transfer funds appropriated for any program activity of the Departmental Offices to any other program activity of the Departmental Offices upon notification to the House and Senate Committees on Appropriations: Provided further, That no appropriation for any program activity shall be increased or decreased by more than two percent by all such transfers: Provided further, That any change in funding greater than two percent shall be submitted for approval to the House and Senate Committees on Appropriations: Provided further, That of the amount appropriated under this heading, not to exceed $3,000,000, to remain available until September 30, 2007, for information technology modernization requirements; not to exceed $100,000 for official reception and representation expenses; and not to exceed $258,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Secretary of the Treasury and to be accounted for solely on his certificate: Provided further, That of the amount appropriated under this heading, $5,173,000, to remain available until September 30, 2007, is for the Treasury-wide Financial Statement Audit Program, of which such amounts as may be necessary may be transferred to accounts of the Department's offices and bureaus to conduct audits: Provided further, That this transfer authority shall be in addition to any other provided in this Act.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

For development and acquisition of automatic data processing equipment, software, and services for the Department of the Treasury, $24,412,000, to remain available until September 30, 2008: Provided, That these funds shall be transferred to accounts and in amounts as necessary to satisfy the requirements of the Department's offices, bureaus, and other organizations: Provided further, That this transfer authority shall be in addition to any other transfer authority provided in this Act: Provided further, That none of the funds appropriated shall be used to support or supplement ''Internal Revenue Service, Information Systems'' or ''Internal Revenue Service, Business Systems Modernization''.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, not to exceed $2,000,000 for official travel expenses, including hire of passenger motor vehicles; and not to exceed $100,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General of the Treasury, $17,000,000, of which not to exceed $2,500 shall be available for official reception and representation expenses.

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Treasury Inspector General for Tax Administration in carrying out the Inspector General Act of 1978, as amended, including purchase (not to exceed 150 for replacement only for police-type use) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); services authorized by 5 U.S.C. 3109, at such rates as may be determined by the Inspector General for Tax Administration; not to exceed $6,000,000 for official travel expenses; and not to exceed $500,000 for unforeseen emergencies of a confidential nature, to be allocated and expended under the direction of the Inspector General for Tax Administration, $133,286,000; and of which not to exceed $1,500 shall be available for official reception and representation expenses.

AIR TRANSPORTATION STABILIZATION PROGRAM ACCOUNT

For necessary expenses to administer the Air Transportation Stabilization Board established by section 102 of the Air Transportation Safety and System Stabilization Act (Public Law 107–42), $2,750,000, to remain available until expended.

TREASURY BUILDING AND ANNEX REPAIR AND RESTORATION

For the repair, alteration, and improvement of the Treasury Building and Annex, $10,000,000, to remain available until September 30, 2008.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

For necessary expenses of the Financial Crimes Enforcement Network, including hire of passenger motor vehicles; travel expenses of non-Federal law enforcement personnel to attend meetings concerned with financial intelligence activities, law enforcement, and financial regulation; not to exceed $14,000 for official reception and representation expenses; and for assistance to Federal law enforcement agencies, with or without reimbursement, $73,630,000 of which not to exceed $6,944,000 shall remain available until September 30, 2008; and of which $8,521,000 shall remain available until September 30, 2007: Provided, That funds appropriated in this account may be used to procure personal services contracts.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

For necessary expenses of the Financial Management Service, $236,243,000, of which not to exceed $9,220,000 shall remain available until September 30, 2008, for information systems modernization initiatives; and of which not to exceed $2,500 shall be available for official reception and representation expenses.

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

SALARIES AND EXPENSES

For necessary expenses of carrying out section 1111 of the Homeland Security Act of 2002, including hire of passenger motor vehicles,

$91,126,000; of which not to exceed $6,000 for official reception and representation expenses; not to exceed $50,000 for cooperative research and development programs for laboratory services; and provision of laboratory assistance to State and local agencies with or without reimbursement.

UNITED STATES MINT

UNITED STATES MINT PUBLIC ENTERPRISE FUND

Pursuant to section 5136 of title 31, United States Code, the United States Mint is provided funding through the United States Mint Public Enterprise Fund for costs associated with the production of circulating coins, numismatic coins, and protective services, including both operating expenses and capital investments. The aggregate amount of new liabilities and obligations incurred during fiscal year 2006 under such section 5136 for circulating coinage and protective service capital investments of the United States Mint shall not exceed $26,768,000.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

For necessary expenses connected with any public-debt issues of the United States, $179,923,000, of which not to exceed $2,500 shall be available for official reception and representation expenses, and of which not to exceed $2,000,000 shall remain available until expended for systems modernization: Provided, That the sum appropriated herein from the General Fund for fiscal year 2006 shall be reduced by not more than $3,000,000 as definitive security issue fees and Treasury Direct Investor Account Maintenance fees are collected, so as to result in a final fiscal year 2006 appropriation from the General Fund estimated at $176,923,000. In addition, $70,000 to be derived from the Oil Spill Liability Trust Fund to reimburse the Bureau for administrative and personnel expenses for financial management of the Fund, as authorized by section 1012 of Public Law 101–380.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

To carry out the Community Development Banking and Financial Institutions Act of 1994 (Public Law 103–325), including services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for ES–3, $55,000,000, to remain available until September 30, 2007, of which $4,000,000 shall be for financial assistance, technical assistance, training and outreach programs designed to benefit Native American, Native Hawaiian, and Alaskan Native communities and provided primarily through qualified community development lender organizations with experience and expertise in community development banking and lending in Indian country, Native American organizations, tribes and tribal organizations and other suitable providers, and up to $13,500,000 may be used for administrative expenses, including administration of the New Markets Tax Credit, up to $6,000,000 may be used for the cost of direct loans, and up to $250,000 may be used for administrative expenses to carry out the direct loan program: Provided, That the cost of direct loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $11,000,000.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

(INCLUDING RESCISSION OF FUNDS)

For necessary expenses of the Internal Revenue Service for pre-filing taxpayer assistance and education, filing and account services, shared services support, general management and administration; and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, $4,136,578,000, of which up to $4,100,000 shall be for the Tax Counseling for the Elderly Program, of which $8,000,000 shall be available for low-income taxpayer clinic grants, of which $1,500,000 shall be for the Internal Revenue Service Oversight Board; and of which not to exceed $25,000 shall be for official reception and representation expenses: Provided, That of unobligated amounts available under this heading from previous appropriations acts, $20,000,000 shall be rescinded.

TAX LAW ENFORCEMENT

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Internal Revenue Service for determining and establishing tax liabilities; providing litigation support; conducting criminal investigation and enforcement activities; securing unfiled tax returns; collecting unpaid accounts; conducting a document matching program; resolving taxpayer problems through prompt identification, referral and settlement; expanded customer service and public outreach programs, strengthened enforcement activities, and enhanced research efforts to reduce erroneous filings associated with the earned income tax credit; compiling statistics of income and conducting compliance research; purchase (for police-type use, not to exceed 850) and hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, $4,725,756,000, of which not to exceed $1,000,000 shall remain available until September 30, 2008, for research; and of which $55,584,000 shall be for the Interagency Crime and Drug Enforcement program: Provided, That up to $10,000,000 may be transferred as necessary from this account to the IRS Processing, Assistance, and Management appropriation or the IRS Information Systems appropriation solely for the purposes of management of the Interagency Crime and Drug Enforcement Program: Provided further, That up to $10,000,000 may be transferred as necessary from this account to the IRS Processing, Assistance, and Management appropriation or the IRS Information Systems appropriation solely for the purposes of management of the Earned Income Tax Credit compliance program and to reimburse the Social Security Administration for the cost of implementing section 1090 of the Taxpayer Relief Act of 1997 (Public Law 105–33): Provided further, That this transfer authority shall be in addition to any other transfer authority provided in this Act.

INFORMATION SYSTEMS

For necessary expenses of the Internal Revenue Service for information systems and telecommunications support, including developmental information systems and operational information systems; the hire of passenger motor vehicles (31 U.S.C. 1343(b)); and services as authorized by 5 U.S.C. 3109, at such rates as may be determined by the Commissioner, $1,598,967,000, of which $75,000,000 shall remain available until September 30, 2007.

BUSINESS SYSTEMS MODERNIZATION

For necessary expenses of the Internal Revenue Service, $199,000,000, to remain available until September 30, 2008, for the capital asset acquisition of information technology systems, including management and related contractual costs of said acquisitions, including contractual costs associated with operations authorized by 5 U.S.C. 3109: Provided, That none of these funds may be obligated until the Internal Revenue Service submits to the Committees on Appropriations, and such Committees approve, a plan for expenditure that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including Circular A–11; (2) complies with the Internal Revenue Service's enterprise architecture, including the modernization blueprint; (3) conforms with the Internal Revenue Service's enterprise life cycle methodology; (4) is approved by the Internal Revenue Service, the Department of the Treasury, and the Office of Management and Budget; (5) has been reviewed by the Government Accountability Office; and (6) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government.

HEALTH INSURANCE TAX CREDIT ADMINISTRATION

(INCLUDING RESCISSION OF FUNDS)

For expenses necessary to implement the health insurance tax credit included in the Trade Act of 2002 (Public Law 107–210), $20,210,000: Provided, That of unobligated amounts available under this heading from previous appropriations acts, $9,000,000 shall be rescinded.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

(INCLUDING TRANSFER OF FUNDS)

SEC. 201. Not to exceed 5 percent of any appropriation made available in this Act to the Internal Revenue Service or not to exceed 3 percent of appropriations under the heading ''Tax Law Enforcement'' may be transferred to any other Internal Revenue Service appropriation upon the advance approval of the Committees on Appropriations.

SEC. 202. The Internal Revenue Service shall maintain a training program to ensure that Internal Revenue Service employees are trained in taxpayers' rights, in dealing courteously with taxpayers, and in cross-cultural relations.

SEC. 203. The Internal Revenue Service shall institute and enforce policies and procedures that will safeguard the confidentiality of taxpayer information.

SEC. 204. Funds made available by this or any other Act to the Internal Revenue Service shall be available for improved facilities and increased manpower to provide sufficient and effective 1–800 help line service for taxpayers. The Commissioner shall continue to make the improvement of the Internal Revenue Service 1–800 help line service a priority and allocate resources necessary to increase phone lines and staff to improve the Internal Revenue Service 1–800 help line service.

SEC. 205. None of the funds appropriated or otherwise made available in this or any other Act or source to the Internal Revenue Service may be used to reduce taxpayer services as proposed in fiscal year 2006 until the Treasury Inspector General for Tax Administration completes a study detailing the impact of such proposed reductions on taxpayer compliance and taxpayer services, and the Internal Revenue Service's plans for providing adequate alternative services, and submits such study and plans to the Committees on Appropriations of the House of Representatives and the Senate for approval: Provided, That no funds shall be obligated by the Internal Revenue Service for such purposes for 60 days after receipt of such study: Provided further, That the Internal Revenue Service shall consult with stakeholder organizations, including but not limited to, the National Taxpayer Advocate, the Internal Revenue Service Oversight Board, the Treasury Inspector General for Tax Administration, and Internal Revenue Service employees with respect to any proposed or planned efforts by the Internal Revenue Service to terminate or reduce significantly any taxpayer service activity.

SEC. 206. Of the funds made available by this Act to the Internal Revenue Service, not less than $6,447,000,000 shall be available only for tax enforcement. In addition, of the funds made available by this Act to the Internal Revenue Service, and subject to the same terms and conditions, $446,000,000 shall be available for enhanced tax enforcement.

SEC. 207. Of the funds made available by this Act to the Internal Revenue Service, not less than $166,249,000 shall be available for operating expenses of the Taxpayer Advocate Service, of which not less than $141,311,650 shall be made available from the ''Tax Law Enforcement'' account.

SEC. 208. The Internal Revenue Service shall submit its fiscal year 2007 congressional budget justifications to the Committees on Appropriations of the House of Representatives and the Senate using the identical structure provided under this Act and only in accordance with the direction specified in the report accompanying this Act.

SEC. 209. Section 3 under the heading ''Administrative Provisions—Internal Revenue Service'' of title I of Public Law 103–329 is amended by striking the last proviso.

ADMINISTRATIVE PROVISIONS—DEPARTMENT OF THE TREASURY

(INCLUDING TRANSFER OF FUNDS)

SEC. 210. Appropriations to the Department of the Treasury in this Act shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901), including maintenance, repairs, and cleaning; purchase of insurance for official motor vehicles operated in foreign countries; purchase of motor vehicles without regard to the general purchase price limitations for vehicles purchased and used overseas for the current fiscal year; entering into contracts with the Department of State for the furnishing of health and medical services to employees and their dependents serving in foreign countries; and services authorized by 5 U.S.C. 3109.

SEC. 211. Not to exceed 2 percent of any appropriations in this Act made available to the Departmental Offices—Salaries and Expenses, Office of Inspector General, Financial Management Service, Alcohol and Tobacco Tax and Trade Bureau, Financial Crimes Enforcement Network, and Bureau of the Public Debt, may be transferred between such appropriations upon the advance approval of the Committees on Appropriations: Provided, That no transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 212. Not to exceed 2 percent of any appropriation made available in this Act to the Internal Revenue Service may be transferred to the Treasury Inspector General for Tax Administration's appropriation upon the advance approval of the Committees on Appropriations: Provided, That no transfer may increase or decrease any such appropriation by more than 2 percent.

SEC. 213. Of the funds available for the purchase of law enforcement vehicles, no funds may be obligated until the Secretary of the Treasury certifies that the purchase by the respective Treasury bureau is consistent with Departmental vehicle management principles: Provided, That the Secretary may delegate this authority to the Assistant Secretary for Management.

SEC. 214. None of the funds appropriated in this Act or otherwise available to the Department of the Treasury or the Bureau of Engraving and Printing may be used to redesign the $1 Federal Reserve note.

SEC. 215. The Secretary of the Treasury may transfer funds from Financial Management Services, Salaries and Expenses to Debt Collection Fund as necessary to cover the costs of debt collection: Provided, That such amounts shall be reimbursed to such salaries and expenses account from debt collections received in the Debt Collection Fund.

SEC. 216. Section 122(g)(1) of Public Law 105–119 (5 U.S.C. 3104 note), is further amended by striking ''7 years'' and inserting ''8 years''.

SEC. 217. None of the funds appropriated or otherwise made available by this or any other Act may be used by the United States Mint to construct or operate any museum without the explicit approval of the House Committee on Financial Services and the Senate Committee on Banking, Housing, and Urban Affairs.

SEC. 218. None of the funds appropriated or otherwise made available by this or any other Act or source to the Department of the Treasury, the Bureau of Engraving and Printing, and the United States Mint, individually or collectively, may be used to consolidate any or all functions of the Bureau of Engraving and Printing and the United States Mint without the explicit approval of the House Committee on Financial Services; the Senate Committee on Banking, Housing, and Urban Affairs; the House Committee on Appropriations; and the Senate Committee on Appropriations.

SEC. 219. None of the funds appropriated or otherwise made available by this or any other Act or source to the Secretary of the Treasury may be expended to develop, study, or implement any plan to reallocate the resources of, or merge the Financial Crimes Enforcement Network into the Departmental Offices—Salaries and Expenses, or any other office within the Department of the Treasury.

This title may be cited as the ''Department of the Treasury Appropriations Act, 2006''.

TITLE III

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

TENANT-BASED RENTAL ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

For activities and assistance for the provision of tenant-based rental assistance authorized under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) (''the Act'' herein), not otherwise provided for, $15,573,655,725, to remain available until expended, of which $11,373,656,000 shall be available on October 1, 2005, and $4,200,000,000 shall be available on October 1, 2006: Provided, That the amounts made available under this heading are provided as follows:

(1) $14,089,755,725 for renewals of expiring section 8 tenant-based annual contributions contracts (including renewals of enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act): Provided, That notwithstanding any other provision of law, from amounts provided under this paragraph, the Secretary for the calendar year 2006 funding cycle shall provide renewal funding for each public housing agency based on each public housing agency's 2005 annual budget for renewal funding as calculated by HUD, prior to prorations, and by applying the 2006 Annual Adjustment Factor as established by the Secretary, and by making any necessary adjustments for the costs associated with the first-time renewal of tenant protection or HOPE VI vouchers or vouchers that were not in use during the 12-month period in order to be available to meet a commitment pursuant to section 8(o)(13) of the Act: Provided further, That the Secretary shall, to the extent necessary to stay within the amount provided under this paragraph, pro rate each public housing agency's allocation otherwise established pursuant to this paragraph: Provided further, That except as provided in the following proviso, the entire amount provided under this paragraph shall be obligated to the public housing agencies based on the allocation and pro rata method described above: Provided further, That public housing agencies participating in the Moving to Work demonstration shall be funded pursuant to their Moving to Work agreements and shall be subject to the same pro rata adjustments under the previous proviso: Provided further, That up to $45,000,000 shall be available only: (1) to adjust the allocations for public housing agencies, after application for an adjustment by a public housing agency and verification by HUD, whose allocations under this heading for contract renewals for the calendar year 2005 funding cycle were based on verified VMS leasing and cost data averaged for the months of May, June, and July of 2004 and solely because of temporarily low leasing levels during such 3-month period did not accurately reflect leasing levels and costs for the 2004 fiscal year of the agencies; and (2) for adjustments for public housing agencies that experienced a significant increase, as determined by the Secretary, in renewal costs resulting from unforeseen circumstances or from the portability under section 8(r) of the United States Housing Act of 1937 of tenant-based rental assistance: Provided further, That none of the funds provided in this paragraph may be used to support a total number of unit months under lease which exceeds a public housing agency's authorized level of units under contract;

(2) $180,000,000 for section 8 rental assistance for relocation and replacement of housing units that are demolished or disposed of pursuant to the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134), conversion of section 23 projects to assistance under section 8, the family unification program under section 8(x) of the Act, relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency, enhanced vouchers under any provision of law authorizing such assistance under section 8(t) of the Act, HOPE VI vouchers, mandatory and voluntary conversions, and tenant protection assistance including replacement and relocation assistance: Provided, That no more than $12,000,000 can be used for section 8 assistance to cover the cost of judgments and settlement agreements;

(3) $48,000,000 for family self-sufficiency coordinators under section 23 of the Act;

(4) $5,900,000 shall be transferred to the Working Capital Fund; and

(5) $1,250,000,000 for administrative and other expenses of public housing agencies in administering the section 8 tenant-based rental assistance program, of which up to $10,000,000 shall be available to the Secretary to allocate to public housing agencies that need additional funds to administer their section 8 programs: Provided, That $1,240,000,000 of the amount provided in this paragraph shall be allocated for the calendar year 2006 funding cycle on a pro rata basis to public housing agencies based on the amount public housing agencies were eligible to receive in calendar year 2005: Provided further, That all amounts provided under this paragraph shall be only for activities related to the provision of tenant-based rental assistance authorized under section 8, including related development activities.

HOUSING CERTIFICATE FUND

(RESCISSION)

Of the unobligated balances, including recaptures and carryover, remaining from funds appropriated to the Department of Housing and Urban Development under this heading, the heading ''Annual contributions for assisted housing'', the heading ''Tenant-based rental assistance'', and the heading ''Project-based rental assistance'', for fiscal year 2005 and prior years, $2,050,000,000 is rescinded, to be effected by the Secretary no later than September 30, 2006: Provided, That, if insufficient funds exist under these headings, the remaining balance may be derived from any other heading under this title: Provided further, That the Secretary shall notify the Committees on Appropriations 30 days in advance of the rescission of any funds derived from the headings specified above: Provided further, That any such balances governed by reallocation provisions under the statute authorizing the program for which the funds were originally appropriated shall be available for the rescission: Provided further, That any obligated balances of contract authority from fiscal year 1974 and prior that have been terminated shall be cancelled: Provided further, That no amounts recaptured from amounts appropriated in prior years under this heading or the heading ''Annual contributions for assisted housing'' and no carryover of such appropriated amounts for project-based assistance shall be available for the calendar year 2006 funding cycle for activities provided for under the heading ''Tenant-based rental assistance''.

PROJECT-BASED RENTAL ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

For activities and assistance for the provision of project-based subsidy contracts under the United States Housing Act of 1937, as amended (42 U.S.C. 1437 et seq.) (''the Act'' herein), not otherwise provided for, $5,088,300,000, to remain available until expended: Provided, That the amounts made available under this heading are provided as follows:

(1) $4,939,700,000 for expiring or terminating section 8 project-based subsidy contracts (including section 8 moderate rehabilitation contracts), for amendments to section 8 project-based subsidy contracts (including section 8 moderate rehabilitation contracts), for contracts entered into pursuant to section 441 of the McKinney-Vento Homeless Assistance Act, for renewal of section 8 contracts for units in projects that are subject to approved plans of action under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990, and for administrative and other expenses associated with project-based activities and assistance funded under this paragraph.

(2) $147,200,000 for performance-based contract administrators for section 8 project-based assistance: Provided, That the Secretary may also use such amounts for performance-based contract administrators for: interest reduction payments pursuant to section 236(a) of the National Housing Act (12 U.S.C. 1715z–1(a)); rent supplement payments pursuant to section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s); Section 236(f)(2) rental assistance payments (12 U.S.C. 1715z–1(f)(2)); project rental assistance contracts for the elderly under section 202(c)(2) of the Housing Act of 1959, as amended (12 U.S.C. 1701q, 1701q–1); project rental assistance contracts for supportive housing for persons with disabilities under section 811(d)(2) of the Cranston-Gonzalez National Affordable Housing Act; project assistance contracts pursuant to section 202(h) of the Housing Act of 1959 (Public Law 86–372; 73 Stat. 667); and loans under section 202 of the Housing Act of 1959 (Public Law 86–372; 73 Stat. 667).

(3) $1,400,000 shall be transferred to the Working Capital Fund: Provided further, That amounts recaptured under this heading, the heading, 'Annual Contributions for Assisted Housing,' or the heading, 'Housing Certificate Fund,' for project-based section 8 activities may be used for renewals of or amendments to section 8 project-based subsidy contracts or for performance-based contract administrators, notwithstanding the purposes for which such amounts were appropriated.

(4) amounts recaptured under this heading, the heading ''Annual Contributions for Assisted Housing'', or the heading ''Housing Certificate Fund'' may be used for renewals of or amendments to section 8 project-based contracts, notwithstanding the purposes for which such amounts were appropriated.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFER OF FUNDS)

For the Public Housing Capital Fund Program to carry out capital and management activities for public housing agencies, as authorized under section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g) (the ''Act'') $2,463,600,000, to remain available until September 30, 2009: Provided, That notwithstanding any other provision of law or regulation, during fiscal year 2006, the Secretary may not delegate to any Department official other than the Deputy Secretary and the Assistant Secretary for Public and Indian Housing any authority under paragraph (2) of section 9(j) regarding the extension of the time periods under such section: Provided further, That for purposes of such section 9(j), the term ''obligate'' means, with respect to amounts, that the amounts are subject to a binding agreement that will result in outlays, immediately or in the future: Provided further, That of the total amount provided under this heading, up to $11,000,000 shall be for carrying out activities under section 9(h) of such Act: Provided further, That $11,000,000 shall be transferred to the Working Capital Fund: Provided further, That no funds may be used under this heading for the purposes specified in section 9(k) of the United States Housing Act of 1937, as amended: Provided further, That of the total amount provided under this heading, up to $17,000,000 shall be available for the Secretary of Housing and Urban Development to make grants, notwithstanding section 305 of this Act, to public housing agencies for emergency capital needs resulting from unforeseen or unpreventable emergencies and natural disasters occurring in fiscal year 2006: Provided further, That of the total amount provided under this heading, $38,000,000 shall be for supportive services, service coordinators and congregate services as authorized by section 34 of the Act and the Native American Housing Assistance and Self-Determination Act of 1996: Provided further, That of the total amount provided under this heading up to $8,820,000 is to support the costs of administrative and judicial receiverships: Provided further, That of the total amount provided under this heading, $7,500,000 shall be for Neighborhood Networks grants for activities authorized in section 9(d)(1)(E) of the United States Housing Act of 1937, as amended: Provided further, That notwithstanding any other provision of law, amounts made available in the previous proviso shall be awarded to public housing agencies on a competitive basis: Provided further, That notwithstanding section 9(d)(1)(E) of the United States Housing Act of 1937, any Neighborhood Networks computer center established with funding made available under this heading in this or any other Act, shall be available for use by residents of public housing and residents of other housing assisted with funding made available under this title in this Act or any other Act.

PUBLIC HOUSING OPERATING FUND

For 2006 payments to public housing agencies for the operation and management of public housing, as authorized by section 9(e) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g(e)), $3,600,000,000: Provided, That, in fiscal year 2006 and all fiscal years hereafter, no amounts under this heading in any appropriations Act may be used for payments to public housing agencies for the costs of operation and management of public housing for any year prior to the current year of such Act: Provided further, That no funds may be used under this heading for the purposes specified in section 9(k) of the United States Housing Act of 1937, as amended.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

For grants to public housing agencies for demolition, site revitalization, replacement housing, and tenant-based assistance grants to projects as authorized by section 24 of the United States Housing Act of 1937, as amended, $100,000,000, to remain available until September 30, 2007, of which the Secretary may use up to $2,000,000 for technical assistance and contract expertise, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the department and of public housing agencies and to residents: Provided, That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein.

NATIVE AMERICAN HOUSING BLOCK GRANTS

(INCLUDING TRANSFER OF FUNDS)

For the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4111 et seq.), $630,000,000, to remain available until expended: Provided, That, notwithstanding the Native American Housing Assistance and Self-Determination Act of 1996, to determine the amount of the allocation under title I of such Act for each Indian tribe, the Secretary shall apply the formula under section 302 of such Act with the need component based on single-race Census data and with the need component based on multi-race Census data, and the amount of the allocation for each Indian tribe shall be the greater of the two resulting allocation amounts: Provided further, That of the amounts made available under this heading, $1,000,000 shall be contracted through the Secretary as technical assistance and capacity building to be used by the National American Indian Housing Council in support of the implementation of NAHASDA; $4,500,000 shall be to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the training, oversight, and management of Indian housing and tenant-based assistance, including up to $300,000 for related travel; up to $4,000,000 may be used for emergencies that constitute imminent threats to health and safety, notwithstanding any other provision of law (including section 305 of this Act): Provided further, That of the amount provided under this heading, $2,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of NAHASDA: Provided further, That such costs, including the costs of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed $17,926,000: Provided further, That for administrative expenses to carry out the guaranteed loan program, up to $150,000 from amounts in the third proviso, which shall be transferred to and merged with the appropriation for ''Salaries and Expenses''.

NATIVE HAWAIIAN HOUSING BLOCK GRANT

For the Native Hawaiian Housing Block Grant program, as authorized under title VIII of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111 et seq.), $8,815,000, to remain available until expended, of which $352,606 shall be for training and technical assistance activities.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a), $4,000,000, to remain available until expended: Provided, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $116,276,000.

In addition, for administrative expenses to carry out the guaranteed loan program, up to $250,000 from amounts in the first paragraph which shall be transferred to and merged with the appropriation for ''Salaries and Expenses''.

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13b), $900,000, to remain available until expended: Provided, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $35,714,290.

In addition, for administrative expenses to carry out the guaranteed loan program, up to $35,000 from amounts in the first paragraph which shall be transferred to and merged with the appropriation for ''Salaries and Expenses''.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901 et seq.), $289,000,000, to remain available until September 30, 2007, except that amounts allocated pursuant to section 854(c)(3) of such Act shall remain available until September 30, 2008: Provided, That the Secretary shall renew all expiring contracts for permanent supportive housing that were funded under section 854(c)(3) of such Act that meet all program requirements before awarding funds for new contracts and activities authorized under this section: Provided further, That the Secretary may use up to $1,500,000 of the funds under this heading for training, oversight, and technical assistance activities.

RURAL HOUSING AND ECONOMIC DEVELOPMENT

For the Office of Rural Housing and Economic Development in the Department of Housing and Urban Development, $17,000,000, to remain available until expended, which amount shall be competitively awarded by September 1, 2006, to Indian tribes, State housing finance agencies, State community and/or economic development agencies, local rural nonprofits and community development corporations to support innovative housing and economic development activities in rural areas.

COMMUNITY DEVELOPMENT FUND

(INCLUDING TRANSFER OF FUNDS)

For assistance to units of State and local government, and to other entities, for economic and community development activities, and for other purposes, $4,220,000,000, to remain available until September 30, 2008, unless otherwise specified: Provided, That of the amount provided, $3,748,400,000 is for carrying out the community development block grant program under title I of the Housing and Community Development Act of 1974, as amended (the ''Act'' herein) (42 U.S.C. 5301 et seq.): Provided further, That unless explicitly provided for under this heading (except for planning grants provided in the second paragraph and amounts made available under the third paragraph), not to exceed 20 percent of any grant made with funds appropriated under this heading shall be expended for planning and management development and administration: Provided further, That $1,600,000 shall be transferred to the Working Capital Fund: Provided further, That $60,000,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act, of which, notwithstanding any other provision of law (including section 305 of this Act), up to $4,000,000 may be used for emergencies that constitute imminent threats to health and safety; $50,000,000 shall be available for YouthBuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading: Provided, That local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for YouthBuild funding: Provided further, That no more than eight percent of any grant award under the YouthBuild program may be used for administrative costs: Provided further, That of the amount made available for YouthBuild not less than $4,000,000 is for grants to establish YouthBuild programs in underserved and rural areas and $1,000,000 is to be made available for a grant to YouthBuild USA for capacity building for community development and affordable housing activities as specified in section 4 of the HUD Demonstration Act of 1993, as amended.

Of the amount made available under this heading, $310,000,000 shall be available for grants for the Economic Development Initiative (EDI) to finance a variety of targeted economic investments in accordance with the terms and conditions specified in the statement of managers accompanying this Act: Provided, That none of the funds provided under this paragraph may be used for program operations: Provided further, That, for fiscal years 2004, 2005 and 2006, no unobligated funds for EDI grants may be used for any purpose except acquisition, planning, design, purchase of equipment, revitalization, redevelopment or construction.

Of the amount made available under this heading, $50,000,000 shall be available for neighborhood initiatives that are utilized to improve the conditions of distressed and blighted areas and neighborhoods, to stimulate investment, economic diversification, and community revitalization in areas with population outmigration or a stagnating or declining economic base, or to determine whether housing benefits can be integrated more effectively with welfare reform initiatives: Provided, That amounts made available under this paragraph shall be provided in accordance with the terms and conditions specified in the statement of managers accompanying this Act.

The referenced statement of the managers under the heading ''Community Development Fund'' in title II of division G of Public Law 108–199 is deemed to be amended with respect to item number 181 striking ''Volusia County'' and inserting ''Lively Arts Center in Volusia County''.

The referenced statement of the managers under the heading ''Community Development Fund'' in title II of division G of Public Law 108–199 is deemed to be amended with respect to item number 216 by striking ''for construction'' and inserting ''for planning, design, and engineering''.

The referenced statement of the managers under this heading in Public Law 108–447 is deemed to be amended with respect to item number 369 by striking ''for the construction of HomeAid America temporary homeless shelters in Costa Mesa, California'' and inserting ''for the construction of shelters for the temporarily homeless in New York City, New York''.

The referenced statement of the managers under this heading in Public Law 108–447 is deemed to be amended with respect to item number 502 by striking ''for acquisition of'' and inserting ''for renovations of''.

The referenced statement of the managers under this heading in Public Law 108–447 is deemed to be amended with respect to item number 405 by striking ''Willington Senior Center'' and inserting ''buildings and facilities associated with the Willington Senior Housing Center''.

The referenced statement of the managers under this heading in Public Law 108–447 is deemed to be amended with respect to item number 674 by striking ''City of Big Island, Virginia for the Sedalia Center restoration'' and inserting ''to restore the Sedalia Center in Bedford County, Virginia''.

The referenced statement of the managers under this heading in Public Law 108–447 is deemed to be amended with respect to item number 469 by striking ''to the City of Havana, Illinois'' and inserting ''Havana, Illinois, Rural Fire District''.

The referenced statement of the managers under this heading in Public Law 108–447 is deemed to be amended with respect to item number 554 by striking ''$250,000 to the Town of Monroe, New York for construction of the Monroe Free Library'' and inserting ''$150,000 for the Town of Lewisboro, New York for infrastructure improvements for the Onatru Farm Community Center and $100,000 for the Town of Poughkeepsie, New York for streetscape and related improvements in the Arlington Business District''.

The referenced statement of the managers under this heading in Public Law 108–447 is deemed to be amended with respect to item number 445 by striking ''City of St. Petersburg, Florida'' and inserting ''Catholic Charities, Diocese of St. Petersburg, Florida''.

The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 103 for the Mission Preservation Foundation in San Juan Capistrano, California by striking ''for the Great Stone Church restoration project'' and inserting ''to construct and install environment controls and security measures''.

The referenced statement of the managers under this heading in Division A of the Emergency Appropriations Act for Defense, Global War on Terror, and Tsunami Relief, 2005 (Public Law 109–13) is amended—

(1) in section 6070 (119 Stat. 299), by striking paragraph (1); and

(2) in section 6071 (119 Stat. 299), by striking paragraph (1).

The referenced statement of the managers under the heading ''Community Development Fund'' in title II of division I of Public Law 108–447 is deemed to be amended with respect to item number 83 by striking ''construction'' and inserting ''planning, design, engineering, and construction''.

The referenced statement of the managers under the heading ''Community Development Fund'' in title II of division G of Public Law 108–199 is deemed to be amended with respect to item number 216 by striking ''for construction'' and inserting ''for planning, design, and engineering''.

The referenced statement of the managers under the heading ''Community Development Fund'' in title II of division I of Public Law 108–447 is deemed to be amended with respect to item 9 by striking ''for costs associated with the construction'' and inserting ''to be used for the planning and design''.

The referenced statement of the managers under the heading ''Community Development Fund'' in title II of Division I of Public Law 108–447 is deemed to be amended with respect to item 260 by adding before the period ''including $120,000 for property renovation at 754 Broad Street for the Family Center emergency shelter for families and children''.

The referenced statement of the managers accompanying Public Law 106–74 is deemed to be amended by inserting on page 113 '', of which $47,500 may be used for physical improvements at the South Providence Development Corporation business incubator facility or CleanScape, including associated project management costs'' after ''$100,000 for the South Providence Development Corporation in Providence, Rhode Island for a child care facility''.

The referenced statement of the managers under the heading ''Community Development Fund'' in title II of Division I of Public Law 108–447 is deemed to be amended with respect to item number 30 by striking ''City of San Francisco'' and inserting ''San Francisco Museum and Historical Society''.

The referenced statement of the managers under the heading ''Community Development Fund'' in title II of Division G of Public Law 108–199 is deemed to be amended with respect to item number 122 by striking ''City of San Francisco'' and inserting ''San Francisco Museum and Historical Society''.

The referenced statement of the managers under this heading in Public Law 108–199 is deemed to be amended with respect to item number 855 by striking ''the Skagit County Children's Museum in Mount Vernon, Washington for facilities improvements and renovation'' and inserting ''the Children's Museum of Skagit County in Mount Vernon, Washington to purchase and renovate a building''.

The referenced statement of the managers under this heading in Public Law 108–447 is deemed to be amended with respect to item number 1027 by striking ''planning and design'' and

inserting ''planning, design, construction and buildout''.

The referenced statement of the managers under this heading in Public Law 108–447 is deemed to be amended with respect to item number 946 by striking ''capital'' and inserting ''planning, design, engineering, and construction''.

The referenced statement of the managers under this heading in Public Law 108–447 is deemed to be amended with respect to item number 731 by striking ''rehabilitation and buildout'' and inserting ''planning, evaluation, design, engineering and construction''.

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, $3,000,000, to remain available until September 30, 2007, as authorized by section 108 of the Housing and Community Development Act of 1974, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $137,500,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974, as amended.

In addition, for administrative expenses to carry out the guaranteed loan program, $750,000 shall be transferred to and merged with the appropriation for ''Salaries and expenses''.

BROWNFIELDS REDEVELOPMENT

(INCLUDING RESCISSION OF FUNDS)

For competitive economic development grants, as authorized by section 108(q) of the Housing and Community Development Act of 1974, as amended, for Brownfields redevelopment projects, $10,000,000, to remain available until September 30, 2007: Provided, That $10,000,000 shall be rescinded from unobligated balances from prior years appropriations under this heading and, to the extent there are insufficient balances, any additional rescission amounts shall be rescinded from funds appropriated under this heading for fiscal year 2006.

HOME INVESTMENT PARTNERSHIPS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, $1,750,000,000, to remain available until September 30, 2008: Provided, That of the total amount provided in this paragraph, up to $42,000,000 shall be available for housing counseling under section 106 of the Housing and Urban Development Act of 1968, and $1,000,000 shall be transferred to the Working Capital Fund.

In addition to amounts otherwise made available under this heading, $25,000,000, to remain available until September 30, 2008, for assistance to homebuyers as authorized under title I of the American Dream Downpayment Act.

SELF-HELP AND ASSISTED HOMEOWNERSHIP OPPORTUNITY PROGRAM

For the Self-Help and Assisted Homeownership Opportunity Program, $61,000,000, to remain available until September 30, 2008: Provided, That of the total amount provided in this heading $20,000,000 shall be made available to the Self Help Homeownership Opportunity Program as authorized under section 11 of the Housing Opportunity Program Extension Act of 1996 as amended: Provided further, That $30,000,000 shall be made available for capacity building, of which $26,500,000 shall be for capacity building for Community Development and affordable Housing for LISC and the Enterprise Foundation for activities authorized by Section 4 of the HUD Demonstration Act of 1993 (42 USC 9816 note), as in effect immediately before June 12, 1997 and $3,500,000 shall be made available for capacity building activities administered by Habitat for Humanity International: Provided further, That $3,000,000 shall be made available to the Housing Assistance Council; $1,000,000 shall be made available to the National American Indian Housing Council; $4,000,000 shall be available as a grant to the Raza Development Fund of La Raza for the HOPE Fund, of which $500,000 is for technical assistance and fund management, and $3,500,000 is for investments in the HOPE Fund and financing to affiliated organizations; $2,000,000 shall be available as a grant to the National Housing Development Corporation for operating expenses and a program of affordable housing acquisition and rehabilitation; and $1,000,000 shall be made available to the Special Olympics National Organizing Committee for planning, equipment and operational expenses associated with the 2006 games in Ames, Iowa.

HOMELESS ASSISTANCE GRANTS

(INCLUDING TRANSFER OF FUNDS)

For the emergency shelter grants program as authorized under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act, as amended; the supportive housing program as authorized under subtitle C of title IV of such Act; the section 8 moderate rehabilitation single room occupancy program as authorized under the United States Housing Act of 1937, as amended, to assist homeless individuals pursuant to section 441 of the McKinney-Vento Homeless Assistance Act; and the shelter plus care program as authorized under subtitle F of title IV of such Act, $1,340,000,000, of which $1,320,000,000 shall remain available until September 30, 2008, and of which $20,000,000 shall remain available until expended: Provided, That not less than 30 percent of funds made available, excluding amounts provided for renewals under the shelter plus care program, shall be used for permanent housing: Provided further, That all funds awarded for services shall be matched by 25 percent in funding by each grantee: Provided further, That the Secretary shall renew on an annual basis expiring contracts or amendments to contracts funded under the shelter plus care program if the program is determined to be needed under the applicable continuum of care and meets appropriate program requirements and financial standards, as determined by the Secretary: Provided further, That all awards of assistance under this heading shall be required to coordinate and integrate homeless programs with other mainstream health, social services, and employment programs for which homeless populations may be eligible, including Medicaid, State Children's Health Insurance Program, Temporary Assistance for Needy Families, Food Stamps, and services funding through the Mental Health and Substance Abuse Block Grant, Workforce Investment Act, and the Welfare-to-Work grant program: Provided further, That up to $11,674,000 of the funds appropriated under this heading shall be available for the national homeless data analysis project and technical assistance: Provided further, That $1,000,000 of the funds appropriated under this heading shall be transferred to the Working Capital Fund: Provided further, That all balances for Shelter Plus Care renewals previously funded from the Shelter Plus Care Renewal account and transferred to this account shall be available, if recaptured, for Shelter Plus Care renewals in fiscal year 2006.

HOUSING PROGRAMS

HOUSING FOR THE ELDERLY

(INCLUDING TRANSFER OF FUNDS)

For capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance for the elderly under section 202(c)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, and for supportive services associated with the housing, $742,000,000, to remain available until September 30, 2009, of which amount $51,600,000 shall be for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects, and of which amount up to $24,800,000 shall be for grants under section 202b of the Housing Act of 1959 (12 U.S.C. 1701q–2) for conversion of eligible projects under such section to assisted living or related use and for emergency capital repairs as determined by the Secretary: Provided, That of the amount made available under this heading, $4,000,000 shall be made available to carry out section 203 of Public Law 108–186: Provided further, That of the amount made available under this heading, $20,000,000 shall be available to the Secretary of Housing and Urban Development only for making competitive grants to private nonprofit organizations and consumer cooperatives for covering costs of architectural and engineering work, site control, and other planning relating to the development of supportive housing for the elderly that is eligible for assistance under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q): Provided further, That amounts under this heading shall be available for Real Estate Assessment Center inspections and inspection-related activities associated with section 202 capital advance projects: Provided further, That $400,000 of the total amount made available under this heading shall be transferred to the Working Capital Fund: Provided further, That the Secretary may waive the provisions of section 202 governing the terms and conditions of project rental assistance, except that the initial contract term for such assistance shall not exceed 5 years in duration.

HOUSING FOR PERSONS WITH DISABILITIES

(INCLUDING TRANSFER OF FUNDS)

For capital advance contracts, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, for project rental assistance for supportive housing for persons with disabilities under section 811(d)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, and for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1) of such Act, and for tenant-based rental assistance contracts entered into pursuant to section 811 of such Act, $239,000,000 to remain available until September 30, 2009: Provided, That $400,000 shall be transferred to the Working Capital Fund: Provided further, That, of the amount provided under this heading $78,300,000 shall be for amendments or renewal of tenant-based assistance contracts entered into prior to fiscal year 2005 (only one amendment authorized for any such contract): Provided further, That of the amount provided under this heading, the Secretary may make available up to $5,000,000 for incremental tenant-based rental assistance, as authorized by section 811 of such Act (which assistance is 5 years in duration): Provided further, That all tenant-based assistance made available under this heading shall continue to remain available only to persons with disabilities: Provided further, That the Secretary may waive the provisions of section 811 governing the terms and conditions of project rental assistance and tenant-based assistance, except that the initial contract term for such assistance shall not exceed 5 years in duration: Provided further, That amounts made available under this heading shall be available for Real Estate Assessment Center Inspections and inspection-related activities associated with Section 811 Capital Advance Projects.

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

For amendments to contracts under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s) and section 236(f)(2) of the National Housing Act (12 U.S.C. 1715z–1) in State-aided, non-insured rental housing projects, $26,400,000, to remain available until expended: Provided, That amendments to such contracts hereafter may be for a period less than the term of the respective contracts.

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, 2005, and any collections made during fiscal year 2006 and all subsequent fiscal years, shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended.

MANUFACTURED HOUSING FEES TRUST FUND

For necessary expenses as authorized by the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended (42 U.S.C. 5401 et seq.), up to $13,000,000, to remain available until expended, to be derived from the Manufactured Housing Fees Trust Fund: Provided, That not to exceed the total amount appropriated under this heading shall be available from the general fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund pursuant to section 620 of such Act: Provided further, That the amount made available under this heading from the general fund shall be reduced as such collections are received during fiscal year 2006 so as to result in a final fiscal year 2006 appropriation from the general fund estimated at not more than $0 and fees pursuant to such section 620 shall be modified as necessary to ensure such a final fiscal year 2006 appropriation.

FEDERAL HOUSING ADMINISTRATION

MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 2006, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of $185,000,000,000.

During fiscal year 2006, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed $50,000,000: Provided, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under the Mutual Mortgage Insurance Fund.

For administrative expenses necessary to carry out the guaranteed and direct loan program, $355,000,000, of which not to exceed $351,000,000 shall be transferred to the appropriation for ''Salaries and expenses''; and not to exceed $4,000,000 shall be transferred to the appropriation for ''Office of Inspector General''. In addition, for administrative contract expenses, $62,600,000, of which $18,281,000 shall be transferred to the Working Capital Fund: Provided, That to the extent guaranteed loan commitments exceed $65,500,000,000 on or before April 1, 2006, an additional $1,400 for administrative contract expenses shall be available for each $1,000,000 in additional guaranteed loan commitments (including a pro rata amount for any amount below $1,000,000), but in no case shall funds made available by this proviso exceed $30,000,000.

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z–3 and 1735c), including the cost of loan guarantee modifications, as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended, $8,800,000, to remain available until expended: Provided, That commitments to guarantee loans shall not exceed $35,000,000,000 in total loan principal, any part of which is to be guaranteed.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238, and 519(a) of the National Housing Act, shall not exceed $50,000,000, of which not to exceed $30,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed $20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, $231,400,000, of which $211,400,000 shall be transferred to the appropriation for ''Salaries and Expenses''; and of which $20,000,000 shall be transferred to the appropriation for ''Office of Inspector General''.

In addition, for administrative contract expenses necessary to carry out the guaranteed and direct loan programs, $71,900,000, of which $10,800,000 shall be transferred to the Working Capital Fund: Provided, That to the extent guaranteed loan commitments exceed $8,426,000,000 on or before April 1, 2006, an additional $1,980 for administrative contract expenses shall be available for each $1,000,000 in additional guaranteed loan commitments over $8,426,000,000 (including a pro rata amount for any increment below $1,000,000), but in no case shall funds made available by this proviso exceed $14,400,000.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

New commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed $200,000,000,000, to remain available until September 30, 2007.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, $10,700,000, to be derived from the GNMA guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed $10,700,000, shall be transferred to the appropriation for ''Salaries and Expenses''.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z–1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, $56,350,000, to remain available until September 30, 2007: Provided, That of the total amount provided under this heading, $5,000,000 shall be for the Partnership for Advancing Technology in Housing (PATH) Initiative: Provided further, That of the amounts made available for PATH under this heading, $2,500,000 shall not be subject to the requirements of section 305 of this title: Provided further, That the Office of Housing shall administer PATH: Provided further, That of funds made available under this heading, $750,000 shall be transferred to the National Research Council for a study in accordance with the statement of the managers accompanying this Act: Provided further, That of the funds made available under this heading, $20,600,000 is for grants pursuant to section 107 of the Housing and Community Development Act of 1974, as amended, as follows: $3,000,000 to support Alaska Native serving institutions and Native Hawaiian serving institutions as defined under the Higher Education Act, as amended; $2,600,000 for tribal colleges and universities to build, expand, renovate, and equip their facilities and to expand the role of the colleges into the community through the provision of needed services such as health programs, job training and economic development activities; $9,000,000 for the Historically Black Colleges and Universities program, of which up to $2,000,000 may be used for technical assistance; and $6,000,000 for the Hispanic Serving Institutions Program.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, $46,000,000, to remain available until September 30, 2007, of which $20,000,000 shall be to carry out activities pursuant to such section 561: Provided, That no funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan.

OFFICE OF LEAD HAZARD CONTROL

LEAD HAZARD REDUCTION

For the Lead Hazard Reduction Program, as authorized by section 1011 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, $152,000,000, to remain available until September 30, 2007, of which $9,500,000 shall be for the Healthy Homes Initiative, pursuant to sections 501 and 502 of the Housing and Urban Development Act of 1970 that shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related diseases and hazards: Provided, That for purposes of environmental review, pursuant to the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and other provisions of law that further the purposes of such Act, a grant under the Healthy Homes Initiative, Operation Lead Elimination Action Plan (LEAP), or the Lead Technical Studies program under this heading or under prior appropriations Acts for such purposes under this heading, shall be considered to be funds for a special project for purposes of section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994: Provided further, That of the total amount made available under this heading, $48,000,000 shall be made available on a competitive basis for areas with the highest lead paint abatement needs, as identified by the Secretary as having: (1) the highest number of occupied pre-1940 units of rental housing; and (2) a disproportionately high number of documented cases of lead-poisoned children: Provided further, That each grantee receiving funds under the previous proviso shall target those privately owned units and multifamily buildings that are occupied by low-income families as defined under section 3(b)(2) of the United States Housing Act of 1937: Provided further, That not less than 90 percent of the funds made available under this paragraph shall be used exclusively for abatement, inspections, risk assessments, temporary relocations and interim control of lead-based hazards as defined by 42 U.S.C. 4851: Provided further, That each recipient of funds provided under the first proviso shall make a matching contribution in an amount not less than 25 percent: Provided further, That each applicant shall submit a detailed plan and strategy that demonstrates adequate capacity that is acceptable to the Secretary to carry out the proposed use of funds pursuant to a Notice of Funding Availability.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including purchase of uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109; and not to exceed $25,000 for official reception and representation expenses, $1,153,285,000, of which $562,400,000 shall be provided from the various funds of the Federal Housing Administration, $10,700,000 shall be provided from funds of the Government National Mortgage Association, $750,000 shall be from the ''Community development loan guarantee program'' account, $150,000 shall be provided by transfer from the ''Native American housing block grants'' account, $250,000 shall be provided by transfer from the ''Indian housing loan guarantee fund program'' account and $35,000 shall be transferred from the ''Native Hawaiian housing loan guarantee fund'' account: Provided, That funds made available under this heading shall only be allocated in the manner specified in the statement of the managers accompanying this Act unless the Committees on Appropriations of both the House of Representatives and the Senate are notified of any changes in an operating plan or reprogramming: Provided further, That no official or employee of the Department shall be designated as an allotment holder unless the Office of the Chief Financial Officer (OCFO) has determined that such allotment holder has implemented an adequate system of funds control and has received training in funds control procedures and directives: Provided further, That the Chief Financial Officer shall establish positive control of and maintain adequate systems of accounting for appropriations and other available funds as required by 31 U.S.C. 1514: Provided further, That for purposes of funds control and determining whether a violation exists under the Anti-Deficiency Act (31 U.S.C. 1341 et seq.), the point of obligation shall be the executed agreement or contract, except with respect to insurance and guarantee programs, certain types of salaries and expenses funding, and incremental funding that is authorized under an executed agreement or contract, and shall be designated in the approved funds control plan: Provided further, That the Chief Financial Officer shall: (1) appoint qualified personnel to conduct investigations of potential or actual violations; (2) establish minimum training requirements and other qualifications for personnel that may be appointed to conduct investigations; (3) establish guidelines and timeframes for the conduct and completion of investigations; (4) prescribe the content, format and other requirements for the submission of final reports on violations; and (5) prescribe such additional policies and procedures as may be required for conducting investigations of, and administering, processing, and reporting on, potential and actual violations of the Anti-Deficiency Act and all other statutes and regulations governing the obligation and expenditure of funds made available in this or any other Act: Provided further, That up to $15,000,000 may be transferred to the Working Capital Fund: Provided further, That the Secretary shall fill 7 out of 10 vacancies at the GS–14 and GS–15 levels until the total number of GS–14 and GS–15 positions in the Department has been reduced from the number of GS–14 and GS–15 positions on the date of enactment of Public Law 106–377 by 2½ percent.

WORKING CAPITAL FUND

For additional capital for the Working Capital Fund (42 U.S.C. 3535) for the development of, modifications to, and infrastructure for Department-wide information technology systems, for the continuing operation of both Department-wide and program-specific information systems, and for program-related development activities, $197,000,000, to remain available until September 30, 2007: Provided, That any amounts transferred to this Fund under this Act shall remain available until expended: Provided further, That any amounts transferred to this Fund from amounts appropriated by previously enacted appropriations Acts or from within this Act may be used only for the purposes specified under this Fund, in addition to the purposes for which such amounts were appropriated.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $106,000,000, of which $24,000,000 shall be provided from the various funds of the Federal Housing Administration: Provided, That the Inspector General shall have independent authority over all personnel issues within this office.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, including not to exceed $500 for official reception and representation expenses, $60,000,000, to remain available until expended, to be derived from the Federal Housing Enterprises Oversight Fund: Provided, That the Director shall submit a spending plan for the amounts provided under this heading no later than January 15, 2006: Provided further, That not less than 80 percent of the total amount made available under this heading shall be used only for examination, supervision, and capital oversight of the enterprises (as such term is defined in section 1303 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4502)) to ensure that the enterprises are operating in a financially safe and sound manner and complying with the capital requirements under Subtitle B of such Act: Provided further, That not to exceed the amount provided herein shall be available from the general fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: Provided further, That the general fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the general fund estimated at not more than $0.

ADMINISTRATIVE PROVISIONS

SEC. 301. Fifty percent of the amounts of budget authority, or in lieu thereof 50 percent of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 1437 note) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section. Notwithstanding the previous sentence, the Secretary may award up to 15 percent of the budget authority or cash recaptured and not rescinded or remitted to the Treasury to provide project owners with incentives to refinance their project at a lower interest rate.

SEC. 302. None of the amounts made available under this Act may be used during fiscal year 2006 to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a non-frivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a Government official or entity, or a court of competent jurisdiction.

SEC. 303. (a) Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for fiscal year 2006 that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make a grant, in the amount determined under subsection (b), for any State that—

(1) received an allocation in a prior fiscal year under clause (ii) of such section; and

(2) is not otherwise eligible for an allocation for fiscal year 2006 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year 2006 do not have the number of cases of acquired immunodeficiency syndrome (AIDS) required under such clause.

(b) The amount of the allocation and grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) of such section 854(c)(1)(A) in fiscal year 2006, in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) of such section and States deemed eligible under subsection (a).

(c) Notwithstanding any other provision of law, the amount allocated for fiscal year 2006 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), to the City of New York, New York, on behalf of the New York-Wayne-White Plains, New York-New Jersey Metropolitan Division (hereafter ''metropolitan division'') of the New York-Newark-Edison, NY-NJ-PA Metropolitan Statistical Area, shall be adjusted by the Secretary of Housing and Urban Development by: (1) allocating to the City of Jersey City, New Jersey, the proportion of the metropolitan area's or division's amount that is based on the number of cases of AIDS reported in the portion of the metropolitan area or division that is located in Hudson County, New Jersey, and adjusting for the proportion of the metropolitan division's high incidence bonus if this area in New Jersey also has a higher than average per capita incidence of AIDS; and (2) allocating to the City of Paterson, New Jersey, the proportion of the metropolitan area's or division's amount that is based on the number of cases of AIDS reported in the portion of the metropolitan area or division that is located in Bergen County and Passaic County, New Jersey, and adjusting for the proportion of the metropolitan division's high incidence bonus if this area in New Jersey also has a higher than average per capita incidence of AIDS. The recipient cities shall use amounts allocated under this subsection to carry out eligible activities under section 855 of the AIDS Housing Opportunity Act (42 U.S.C. 12904) in their respective portions of the metropolitan division that is located in New Jersey.

(d) Notwithstanding any other provision of law, the amount allocated for fiscal year 2006 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to areas with a higher than average per capita incidence of AIDS, shall be adjusted by the Secretary on the basis of area incidence reported over a three year period.

SEC. 304. (a) During fiscal year 2006, in the provision of rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) in connection with a program to demonstrate the economy and effectiveness of providing such assistance for use in assisted living facilities that is carried out in the counties of the State of Michigan notwithstanding paragraphs (3) and (18)(B)(iii) of such section 8(o), a family residing in an assisted living facility in any such county, on behalf of which a public housing agency provides assistance pursuant to section 8(o)(18) of such Act, may be required, at the time the family initially receives such assistance, to pay rent in an amount exceeding 40 percent of the monthly adjusted income of the

family by such a percentage or amount as the Secretary of Housing and Urban Development determines to be appropriate.

SEC. 305. Except as explicitly provided in law, any grant, cooperative agreement or other assistance made pursuant to title III of this Act shall be made on a competitive basis and in accordance with section 102 of the Department of Housing and Urban Development Reform Act of 1989.

SEC. 306. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811–1831).

SEC. 307. Unless otherwise provided for in this Act or through a reprogramming of funds, no part of any appropriation for the Department of Housing and Urban Development shall be available for any program, project or activity in excess of amounts set forth in the budget estimates submitted to Congress.

SEC. 308. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of such Act as may be necessary in carrying out the programs set forth in the budget for 2006 for such corporation or agency except as hereinafter provided: Provided, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. 309. None of the funds provided in this title for technical assistance, training, or management improvements may be obligated or expended unless HUD provides to the Committees on Appropriations a description of each proposed activity and a detailed budget estimate of the costs associated with each program, project or activity as part of the Budget Justifications. For fiscal year 2006, HUD shall transmit this information to the Committees by March 15, 2006 for 30 days of review.

SEC. 310. The Secretary of Housing and Urban Development shall provide quarterly reports to the House and Senate Committees on Appropriations regarding all uncommitted, unobligated, recaptured and excess funds in each program and activity within the jurisdiction of the Department and shall submit additional, updated budget information to these Committees upon request.

SEC. 311. Notwithstanding any other provision of law, in fiscal year 2006, in managing and disposing of any multifamily property that is owned or held by the Secretary of Housing and Urban Development, the Secretary shall maintain any rental assistance payments under section 8 of the United States Housing Act of 1937 that are attached to any dwelling units in the property. To the extent the Secretary determines that such a multifamily property owned or held by the Secretary is not feasible for continued rental assistance payments under such section 8, based on consideration of the costs of maintaining such payments for that property or other factors, the Secretary may, in consultation with the tenants of that property, contract for project-based rental assistance payments with an owner or owners of other existing housing properties, or provide other rental assistance.

SEC. 312. (a) Notwithstanding any other provision of law, the amount allocated for fiscal year 2006 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), to the City of Wilmington, Delaware, on behalf of the Wilmington, Delaware-Maryland-New Jersey Metropolitan Division (hereafter ''metropolitan division''), shall be adjusted by the Secretary of Housing and Urban Development by allocating to the State of New Jersey the proportion of the metropolitan division's amount that is based on the number of cases of AIDS reported in the portion of the metropolitan division that is located in New Jersey, and adjusting for the proportion of the metropolitan division's high incidence bonus if this area in New Jersey also has a higher than average per capita incidence of AIDS. The State of New Jersey shall use amounts allocated to the State under this subsection to carry out eligible activities under section 855 of the AIDS Housing Opportunity Act (42 U.S.C. 12904) in the portion of the metropolitan division that is located in New Jersey.

(b) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development shall allocate to Wake County, North Carolina, the amounts that otherwise would be allocated for fiscal year 2006 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to the City of Raleigh, North Carolina, on behalf of the Raleigh-Cary, North Carolina Metropolitan Statistical Area. Any amounts allocated to Wake County shall be used to carry out eligible activities under section 855 of such Act (42 U.S.C. 12904) within such metropolitan statistical area.

(c) Notwithstanding section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)), the Secretary of Housing and Urban Development may adjust the allocation of the amounts that otherwise would be allocated for fiscal year 2006 under section 854(c) of such Act, upon the written request of an applicant, in conjunction with the State(s), for a formula allocation on behalf of a metropolitan statistical area, to designate the State or States in which the metropolitan statistical area is located as the eligible grantee(s) of the allocation. In the case that a metropolitan statistical area involves more than one State, such amounts allocated to each State shall be in proportion to the number of cases of AIDS reported in the portion of the metropolitan statistical area located in that State. Any amounts allocated to a State under this section shall be used to carry out eligible activities within the portion of the metropolitan statistical area located in that State.

SEC. 313. Notwithstanding any other provision of law, for this fiscal year and every fiscal year thereafter, funds appropriated for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, shall be available for the cost of maintaining and disposing of such properties that are acquired or otherwise become the responsibility of the Department.

SEC. 314. The Secretary of Housing and Urban Development shall submit an annual report no later than August 30, 2006 and annually thereafter to the House and Senate Committees on Appropriations regarding the number of Federally assisted units under lease and the per unit cost of these units to the Department of Housing and Urban Development.

SEC. 315. The Department of Housing and Urban Development shall submit the Department's fiscal year 2007 congressional budget justifications to the Committees on Appropriations of the House of Representatives and the Senate using the identical structure provided under this Act and only in accordance with the direction specified in the report accompanying this Act.

SEC. 316. That incremental vouchers previously made available under the heading ''Housing Certificate Fund'' or renewed under the heading, ''Tenant-Based Rental Assistance,'' for non-elderly disabled families shall, to the extent practicable, continue to be provided to non-elderly disabled families upon turnover.

SEC. 317. A public housing agency or such other entity that administers Federal housing assistance in the States of Alaska, Iowa, and Mississippi shall not be required to include a resident of public housing or a recipient of assistance provided under section 8 of the United States Housing Act of 1937 on the board of directors or a similar governing board of such agency or entity as required under section (2)(b) of such Act. Each public housing agency or other entity that administers Federal housing assistance under section 8 in the States of Alaska, Iowa and Mississippi shall establish an advisory board of not less than 6 residents of public housing or recipients of section 8 assistance to provide advice and comment to the public housing agency or other administering entity on issues related to public housing and section 8. Such advisory board shall meet not less than quarterly.

SEC. 318. (a) Notwithstanding any other provision of law, subject to the conditions listed in subsection (b), for fiscal years 2006 and 2007, the Secretary may authorize the transfer of project-based assistance, debt and statutorily required low-income and very low-income use restrictions, associated with one multifamily housing project to another multifamily housing project.

(b) The transfer authorized in subsection (a) is subject to the following conditions:

(1) the number of low-income and very low-income units and the net dollar amount of Federal assistance provided by the transferring project shall remain the same in the receiving project;

(2) the transferring project shall, as determined by the Secretary, be either physically obsolete or economically non-viable;

(3) the receiving project shall meet or exceed applicable physical standards established by the Secretary;

(4) the owner or mortgagor of the transferring project shall notify and consult with the tenants residing in the transferring project and provide a certification of approval by all appropriate local governmental officials;

(5) the tenants of the transferring project who remain eligible for assistance to be provided by the receiving project shall not be required to vacate their units in the transferring project until new units in the receiving project are available for occupancy;

(6) the Secretary determines that this transfer is in the best interest of the tenants;

(7) if either the transferring project or the receiving project meets the condition specified in subsection (c)(2)(A), any lien on the receiving project resulting from additional financing obtained by the owner shall be subordinate to any FHA-insured mortgage lien transferred to, or placed on, such project by the Secretary;

(8) if the transferring project meets the requirements of subsection (c)(2)(E), the owner or mortgagor of the receiving project shall execute and record either a continuation of the existing use agreement or a new use agreement for the project where, in either case, any use restrictions in such agreement are of no lesser duration than the existing use restrictions;

(9) any financial risk to the FHA General and Special Risk Insurance Fund, as determined by the Secretary, would be reduced as a result of a transfer completed under this section; and

(10) the Secretary determines that Federal liability with regard to this project will not be increased.

(c) For purposes of this section—

(1) the terms ''low-income'' and ''very low-income'' shall have the meanings provided by the statute and/or regulations governing the program under which the project is insured or assisted;

(2) the term ''multifamily housing project'' means housing that meets one of the following conditions—

(A) housing that is subject to a mortgage insured under the National Housing Act,

(B) housing that has project-based assistance attached to the structure,

(C) housing that is assisted under section 202 of the Housing Act of 1959 as amended by section 801 of the Cranston-Gonzales National Affordable Housing Act,

(D) housing that is assisted under section 202 of the Housing Act of 1959, as such section existed before the enactment of the Cranston-Gonzales National Affordable Housing Act, or,

(E) housing or vacant land that is subject to a use agreement;

(3) the term ''project-based assistance'' means—

(A) assistance provided under section 8(b) of the United States Housing Act of 1937;

(B) assistance for housing constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of such Act (as such section existed immediately before October 1, 1983);

(C) rent supplement payments under section 101 of the Housing and Urban Development Act of 1965;

(D) additional assistance payments under section 236(f)(2) of the National Housing Act; and,

(E) assistance payments made under section 202(c)(2) of the Housing Act of 1959;

(4) the term ''receiving project'' means the multifamily housing project to which the project-based assistance, debt, and statutorily required use low-income and very low-income restrictions are to be transferred;

(5) the term ''transferring project'' means the multifamily housing project which is transferring the project-based assistance, debt and the statutorily required low-income and very low-income use restrictions to the receiving project; and,

(6) the term ''Secretary'' means the Secretary of Housing and Urban Development.

SEC. 319. The funds made available for Native Alaskans under the heading ''Native American Housing Block Grants'' in title III of this Act shall be allocated to the same Native Alaskan housing block grant recipients that received funds in fiscal year 2005.

SEC. 320. (a) EXTENSION.—The Secretary of Housing and Urban Development shall extend the term of the Moving to Work Demonstration Agreement entered into between a public housing agency and the Secretary under section 204, title V, of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134, April 26, 1996) if—

(1) the public housing agency requests such extension in writing;

(2) the public housing agency is not at the time of such request for extension in default under its Moving to Work Demonstration Agreement; and

(3) the Moving to Work Demonstration Agreement to be extended would otherwise expire on or before September 30, 2006.

(b) TERMS.—Unless the Secretary of Housing and Urban Development and the public housing agency otherwise agree, the extension under subsection (a) shall be upon the identical terms and conditions set forth in the extending agency's existing Moving to Work Demonstration Agreement, except that for each public housing agency that has been or will be granted an extension to its original Moving to Work Agreement, the Secretary shall require that data be collected so that the effect of Moving to Work policy changes on residents can be measured.

(c) EXTENSION PERIOD.—The extension under subsection (a) shall be for such period as is requested by the public housing agency, not to exceed 3 years from the date of expiration of the extending agency's existing Moving to Work Demonstration Agreement.

(d) BREACH OF AGREEMENT.—Nothing contained in this section shall limit the authority of the Secretary of Housing and Urban Development to terminate any Moving to Work Demonstration Agreement of a public housing agency if the public housing agency is in breach of the provisions of such agreement.

SEC. 321. No funds provided under this title may be used for an audit of the Government National Mortgage Association that makes applicable requirements under the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

SEC. 322. Incremental vouchers previously made available under the heading, ''Housing Certificate Fund'' or renewed under the heading, ''Tenant-Based Rental Assistance'', for family unification shall, to the extent practicable, continue to be provided for family unification.

SEC. 323. Section 223(f)(1) of the National Housing Act is amended by inserting ''purchase or'' immediately before ''refinancing of existing debt''.

SEC. 324. Section 421 of the Housing and Community Development Act of 1987 (12 U.S.C. §1715z–4a) is amended—

(1) in subsection (a)(1)(A), by inserting after ''is'' the following: ''or, at the time of the violations, was''; and

(2) in subsection (a)(1)(C), by inserting after ''held'' the following: ''or, at the time of the violations, was insured or held''.

SEC. 325. Notwithstanding any other provision of law, for fiscal year 2006 and thereafter, all mortgagees receiving interest reduction payments under section 236 of the National Housing Act (12 U.S.C. 1715z–1) shall submit only electronic invoices to the Department of Housing and Development in order to receive such payments. The mortgagees shall comply with this requirement no later than 90 days from the date of enactment of this provision.

SEC. 326. Notwithstanding any other provision of law, the recipient of a grant under section 202b of the Housing Act of 1959 (12 U.S.C. 1701q–2) after December 26, 2000, in accordance with the unnumbered paragraph at the end of section 202b(b) of such Act, may, at its option, establish a single-asset nonprofit entity to own the project and may lend the grant funds to such entity, which may be a private nonprofit organization described in section 831 of the American Homeownership and Economic Opportunity Act of 2000.

SEC. 327. (a) No assistance shall be provided under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) to any individual who—

(1) is enrolled as a student at an institution of higher education (as defined under section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002));

(2) is under 24 years of age;

(3) is not a veteran;

(4) is unmarried;

(5) does not have a dependent child; and

(6) is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible, to receive assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

(b) For purposes of determining the eligibility of a person to receive assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), any financial assistance (in excess of amounts received for tuition) that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except for a person over the age of 23 with dependent children.

(c) Not later than 30 days after the date of enactment of this Act, the Secretary of Housing and Urban Development shall issue final regulations to carry out the provisions of this section.

SEC. 328. The Secretary of Housing and Urban Development shall give priority consideration to applications from the housing authorities of the Counties of San Bernardino and Santa Clara and the City of San Jose, California to participate in the Moving to Work Demonstration Agreement under Section 204, Title V, of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134, April 26, 1996): Provided, That upon turnover, existing requirements on the re-issuance of Section 8 vouchers shall be maintained to ensure that not less than 75 percent of all vouchers shall be made available to extremely low-income families.

This title may be cited as the ''Department of Housing and Urban Development Appropriations Act, 2006''.

TITLE IV

THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

SALARIES AND EXPENSES

For expenses necessary for the operation of the Supreme Court, as required by law, excluding care of the building and grounds, including purchase or hire, driving, maintenance, and operation of an automobile for the Chief Justice, not to exceed $10,000 for the purpose of transporting Associate Justices, and hire of passenger motor vehicles as authorized by 31 U.S.C. 1343 and 1344; not to exceed $10,000 for official reception and representation expenses; and for miscellaneous expenses, to be expended as the Chief Justice may approve, $60,730,000, of which $2,000,000 shall remain available until expended.

CARE OF THE BUILDING AND GROUNDS

For such expenditures as may be necessary to enable the Architect of the Capitol to carry out the duties imposed upon the Architect by the Act approved May 7, 1934 (40 U.S.C. 13a–13b), $5,624,000, which shall remain available until expended.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

SALARIES AND EXPENSES

For salaries of the chief judge, judges, and other officers and employees, and for necessary expenses of the court, as authorized by law, $24,000,000.

UNITED STATES COURT OF INTERNATIONAL TRADE

SALARIES AND EXPENSES

For salaries of the chief judge and eight judges, salaries of the officers and employees of the court, services, and necessary expenses of the court, as authorized by law, $15,480,000.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES AND EXPENSES

For the salaries of circuit and district judges (including judges of the territorial courts of the United States), justices and judges retired from office or from regular active service, judges of the United States Court of Federal Claims, bankruptcy judges, magistrate judges, and all other officers and employees of the Federal Judiciary not otherwise specifically provided for, and necessary expenses of the courts, as authorized by law, $4,348,780,000 (including the purchase of firearms and ammunition); of which not to exceed $27,817,000 shall remain available until expended for space alteration projects and for furniture and furnishings related to new space alteration and construction projects.

In addition, for expenses of the United States Court of Federal Claims associated with processing cases under the National Childhood Vaccine Injury Act of 1986 (Public Law 99–660), not to exceed $3,833,000, to be appropriated from the Vaccine Injury Compensation Trust Fund.

DEFENDER SERVICES

For the operation of Federal Defender organizations; the compensation and reimbursement of

expenses of attorneys appointed to represent persons under the Criminal Justice Act of 1964, as amended (18 U.S.C. 3006A); the compensation and reimbursement of expenses of persons furnishing investigative, expert and other services under the Criminal Justice Act of 1964 (18 U.S.C. 3006A(e)); the compensation (in accordance with Criminal Justice Act maximums) and reimbursement of expenses of attorneys appointed to assist the court in criminal cases where the defendant has waived representation by counsel; the compensation and reimbursement of travel expenses of guardians ad litem acting on behalf of financially eligible minor or incompetent offenders in connection with transfers from the United States to foreign countries with which the United States has a treaty for the execution of penal sentences; the compensation of attorneys appointed to represent jurors in civil actions for the protection of their employment, as authorized by 28 U.S.C. 1875(d); and for necessary training and general administrative expenses, $717,000,000, to remain available until expended.

FEES OF JURORS AND COMMISSIONERS

For fees and expenses of jurors as authorized by 28 U.S.C. 1871 and 1876; compensation of jury commissioners as authorized by 28 U.S.C. 1863; and compensation of commissioners appointed in condemnation cases pursuant to rule 71A(h) of the Federal Rules of Civil Procedure (28 U.S.C. Appendix Rule 71A(h)), $61,318,000, to remain available until expended: Provided, That the compensation of land commissioners shall not exceed the daily equivalent of the highest rate payable under section 5332 of title 5, United States Code.

COURT SECURITY

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses, not otherwise provided for, incident to the provision of protective guard services for United States courthouses and other facilities housing Federal court operations, and the procurement, installation, and maintenance of security systems and equipment for United States courthouses and other facilities housing Federal court operations, including building ingress-egress control, inspection of mail and packages, directed security patrols, perimeter security, basic security services provided by the Federal Protective Service, and other similar activities as authorized by section 1010 of the Judicial Improvement and Access to Justice Act (Public Law 100–702), $372,000,000, of which not to exceed $15,000,000 shall remain available until expended, to be expended directly or transferred to the United States Marshals Service, which shall be responsible for administering the Judicial Facility Security Program consistent with standards or guidelines agreed to by the Director of the Administrative Office of the United States Courts and the Attorney General, and of which not to exceed $65,500,000 shall remain available until expended, to be expended directly or transferred to the United States Federal Protective Service for costs associated with building security.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

SALARIES AND EXPENSES

For necessary expenses of the Administrative Office of the United States Courts as authorized by law, including travel as authorized by 31 U.S.C. 1345, hire of a passenger motor vehicle as authorized by 31 U.S.C. 1343(b), advertising and rent in the District of Columbia and elsewhere, $70,262,000, of which not to exceed $8,500 is authorized for official reception and representation expenses and of which up to $1,000,000 shall be made available to the National Academy of Public Administration for a review of the financial and management procedures of the Federal Judiciary.

FEDERAL JUDICIAL CENTER

SALARIES AND EXPENSES

For necessary expenses of the Federal Judicial Center, as authorized by Public Law 90–219, $22,350,000; of which $1,800,000 shall remain available through September 30, 2007, to provide education and training to Federal court personnel; and of which not to exceed $1,500 is authorized for official reception and representation expenses.

JUDICIAL RETIREMENT FUNDS

PAYMENT TO JUDICIARY TRUST FUNDS

For payment to the Judicial Officers' Retirement Fund, as authorized by 28 U.S.C. 377(o), $36,800,000; to the Judicial Survivors' Annuities Fund, as authorized by 28 U.S.C. 376(c), $600,000; and to the United States Court of Federal Claims Judges' Retirement Fund, as authorized by 28 U.S.C. 178(l), $3,200,000.

UNITED STATES SENTENCING COMMISSION

SALARIES AND EXPENSES

For the salaries and expenses necessary to carry out the provisions of chapter 58 of title 28, United States Code, $14,400,000, of which not to exceed $1,000 is authorized for official reception and representation expenses.

ADMINISTRATIVE PROVISIONS—THE JUDICIARY

SEC. 401. Appropriations and authorizations made in this title which are available for salaries and expenses shall be available for services as authorized by 5 U.S.C. 3109.

SEC. 402. Not to exceed 5 percent of any appropriation made available for the current fiscal year for the Judiciary in this Act may be transferred between such appropriations, but no such appropriation, except ''Courts of Appeals, District Courts, and Other Judicial Services, Defender Services'' and ''Courts of Appeals, District Courts, and Other Judicial Services, Fees of Jurors and Commissioners'', shall be increased by more than 10 percent by any such transfers: Provided, That any transfer pursuant to this section shall be treated as a reprogramming of funds under sections 705 and 710 of this Act and shall not be available for obligation or expenditure except in compliance with the procedures set forth in that section.

SEC. 403. Notwithstanding any other provision of law, the salaries and expenses appropriation for Courts of Appeals, District Courts, and Other Judicial Services shall be available for official reception and representation expenses of the Judicial Conference of the United States: Provided, That such available funds shall not exceed $11,000 and shall be administered by the Director of the Administrative Office of the United States Courts in the capacity as Secretary of the Judicial Conference.

SEC. 404. Within 90 days of enactment of this Act, the Administrative Office of the U.S. Courts shall submit to the Committees on Appropriations a comprehensive financial plan for the Judiciary allocating all sources of available funds including appropriations, fee collections, and carryover balances, to include a separate and detailed plan for the Judiciary Information Technology fund.

SEC. 405. Pursuant to section 140 of Public Law 97–92, and from funds appropriated in this Act, Justices and judges of the United States are authorized during fiscal year 2006, to receive a salary adjustment in accordance with 28 U.S.C. 461.

SEC. 406. The existing judgeship for the eastern district of Missouri authorized by section 203(c) of the Judicial Improvements Act of 1990 (Public Law 101–650, 104 Stat. 5089) as amended by Public Law 105–53, as of the effective date of this Act, shall be extended. The first vacancy in the office of district judge in this district occurring 20 years or more after the confirmation date of the judge named to fill the temporary judgeship created by section 203(c) shall not be filled.

SEC. 407. (a) Section 604 of title 28, United States Code, is amended by adding section (4) at the end of section ''(g)'':

''(4) The Director is hereby authorized:

''(A) to enter into contracts for the acquisition of severable services for a period that begins in one fiscal year and ends in the next fiscal year to the same extent as the head of an executive agency under the authority of section 253l of 41 U.S.C.;

''(B) to enter into contracts for multiple years for the acquisition of property and services to the same extent as executive agencies under the authority of section 254c of 41 U.S.C.; and

''(C) to make advance, partial, progress or other payments under contracts for property or services to the same extent as executive agencies under the authority of section 255 of 41 U.S.C.''

(b) Section 612 of title 28, United States Code, is amended by striking the current language in section (e)(2)(B) and inserting ''such contract is in accordance with the Director's authority in section 604(g) of 28 U.S.C.; and,''.

(c) The authorities granted in this section shall expire on September 30, 2010.

SEC. 408. (a) The division of the court shall release to the Congress and to the public not later than 60 days after the date of enactment of this Act all portions of the final report of the independent counsel of the investigation of Henry Cisneros made under section 594(h) of title 28, United States Code. The division of the court shall make such orders as are appropriate to protect the rights of any individual named in such report and to prevent undue interference with any pending prosecution. Upon the release of the final report, the final report shall be published pursuant to section 594(h)(3) of title 28, United States Code.

(b)(1) After the release and publication of the final report referred to in subsection (a), the independent counsel shall continue his office only to the extent necessary and appropriate to perform the noninvestigative and nonprosecutorial tasks remaining of his statutory duties as required to conclude the functions of his office.

(2) The duties referred to in paragraph (1) shall specifically include—

(A) the evaluation of claims for attorney fees, pursuant to section 593(l) of title 28, United States Code;

(B) the transfer of records to the Archivist of the United States pursuant to section 594(k) of title 28, United States Code;

(C) compliance with oversight obligations pursuant to section 595(a) of title 28, United States Code; and

(D) preparation of statements of expenditures pursuant to section 595(c) of title 28, United States Code.

(c)(1) The independent counsel shall have not more than 90 days after the release and publication of the final report referred to in subsection (a) to complete his remaining statutory duties unless the division of the court determines that it is necessary for the independent counsel to have additional time to complete his remaining statutory duties.

(2) If the division of the court finds that the independent counsel needs additional time under paragraph (1), the division of the court shall issue a public report stating the grounds for the extension and a proposed date for completion of all aspects of the investigation of Henry Cisneros and termination of the office of the independent counsel.

This title may be cited as the ''Judiciary Appropriations Act, 2006''.

TITLE V

EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

COMPENSATION OF THE PRESIDENT

For compensation of the President, including an expense allowance at the rate of $50,000 per annum as authorized by 3 U.S.C. 102, $450,000: Provided, That none of the funds made available for official expenses shall be expended for any other purpose and any unused amount shall revert to the Treasury pursuant to section 1552 of title 31, United States Code.

WHITE HOUSE OFFICE

SALARIES AND EXPENSES

For necessary expenses for the White House as authorized by law, including not to exceed

$3,850,000 for services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 105; subsistence expenses as authorized by 3 U.S.C. 105, which shall be expended and accounted for as provided in that section; hire of passenger motor vehicles, newspapers, periodicals, teletype news service, and travel (not to exceed $100,000 to be expended and accounted for as provided by 3 U.S.C. 103); and not to exceed $19,000 for official entertainment expenses, to be available for allocation within the Executive Office of the President, $53,830,000: Provided, That of the funds appropriated under this heading, $1,500,000 shall be for the Privacy and Civil Liberties Oversight Board.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

For the care, maintenance, repair and alteration, refurnishing, improvement, heating, and lighting, including electric power and fixtures, of the Executive Residence at the White House and official entertainment expenses of the President, $12,436,000, to be expended and accounted for as provided by 3 U.S.C. 105, 109, 110, and 112–114.

REIMBURSABLE EXPENSES

For the reimbursable expenses of the Executive Residence at the White House, such sums as may be necessary: Provided, That all reimbursable operating expenses of the Executive Residence shall be made in accordance with the provisions of this paragraph: Provided further, That, notwithstanding any other provision of law, such amount for reimbursable operating expenses shall be the exclusive authority of the Executive Residence to incur obligations and to receive offsetting collections, for such expenses: Provided further, That the Executive Residence shall require each person sponsoring a reimbursable political event to pay in advance an amount equal to the estimated cost of the event, and all such advance payments shall be credited to this account and remain available until expended: Provided further, That the Executive Residence shall require the national committee of the political party of the President to maintain on deposit $25,000, to be separately accounted for and available for expenses relating to reimbursable political events sponsored by such committee during such fiscal year: Provided further, That the Executive Residence shall ensure that a written notice of any amount owed for a reimbursable operating expense under this paragraph is submitted to the person owing such amount within 60 days after such expense is incurred, and that such amount is collected within 30 days after the submission of such notice: Provided further, That the Executive Residence shall charge interest and assess penalties and other charges on any such amount that is not reimbursed within such 30 days, in accordance with the interest and penalty provisions applicable to an outstanding debt on a United States Government claim under section 3717 of title 31, United States Code: Provided further, That each such amount that is reimbursed, and any accompanying interest and charges, shall be deposited in the Treasury as miscellaneous receipts: Provided further, That the Executive Residence shall prepare and submit to the Committees on Appropriations, by not later than 90 days after the end of the fiscal year covered by this Act, a report setting forth the reimbursable operating expenses of the Executive Residence during the preceding fiscal year, including the total amount of such expenses, the amount of such total that consists of reimbursable official and ceremonial events, the amount of such total that consists of reimbursable political events, and the portion of each such amount that has been reimbursed as of the date of the report: Provided further, That the Executive Residence shall maintain a system for the tracking of expenses related to reimbursable events within the Executive Residence that includes a standard for the classification of any such expense as political or nonpolitical: Provided further, That no provision of this paragraph may be construed to exempt the Executive Residence from any other applicable requirement of subchapter I or II of chapter 37 of title 31, United States Code.

WHITE HOUSE REPAIR AND RESTORATION

For the repair, alteration, and improvement of the Executive Residence at the White House, $1,700,000, to remain available until expended, for required maintenance, safety and health issues, and continued preventative maintenance.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

For necessary expenses of the Council of Economic Advisers in carrying out its functions under the Employment Act of 1946 (15 U.S.C. 1021), $4,040,000.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

For necessary expenses of the Office of Policy Development, including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107, $3,500,000.

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

For necessary expenses of the National Security Council, including services as authorized by 5 U.S.C. 3109, $8,705,000.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

For necessary expenses of the Office of Administration, including services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 107, and hire of passenger motor vehicles, $89,322,000, of which $11,768,000 shall remain available until expended for the Capital Investment Plan for continued modernization of the information technology infrastructure within the Executive Office of the President.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

For necessary expenses of the Office of Management and Budget, including hire of passenger motor vehicles and services as authorized by 5 U.S.C. 3109 and to carry out the provisions of chapter 35 of title 44, United States Code, $76,930,000, of which not to exceed $3,000 shall be available for official representation expenses: Provided, That, as provided in 31 U.S.C. 1301(a), appropriations shall be applied only to the objects for which appropriations were made and shall be allocated in accordance with the terms and conditions set forth in the accompanying statement of the managers except as otherwise provided by law: Provided further, That none of the funds appropriated in this Act for the Office of Management and Budget may be used for the purpose of reviewing any agricultural marketing orders or any activities or regulations under the provisions of the Agricultural Marketing Agreement Act of 1937 (7 U.S.C. 601 et seq.): Provided further, That none of the funds made available for the Office of Management and Budget by this Act may be expended for the altering of the transcript of actual testimony of witnesses, except for testimony of officials of the Office of Management and Budget, before the Committees on Appropriations or their subcommittees: Provided further, That the preceding shall not apply to printed hearings released by the Committees on Appropriations: Provided further, That none of the funds provided in this or prior Acts shall be used, directly or indirectly, by the Office of Management and Budget, for evaluating or determining if water resource project or study reports submitted by the Chief of Engineers acting through the Secretary of the Army are in compliance with all applicable laws, regulations, and requirements relevant to the Civil Works water resource planning process: Provided further, That the Office of Management and Budget shall have not more than 60 days in which to perform budgetary policy reviews of water resource matters on which the Chief of Engineers has reported. The Director of the Office of Management and Budget shall notify the appropriate authorizing and Appropriations Committees when the 60-day review is initiated. If water resource reports have not been transmitted to the appropriate authorizing and appropriating committees within 15 days of the end of the OMB review period based on the notification from the Director, Congress shall assume OMB concurrence with the report and act accordingly.

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

For necessary expenses of the Office of National Drug Control Policy; for research activities pursuant to the Office of National Drug Control Policy Reauthorization Act of 1998 (21 U.S.C. 1701 et seq.); not to exceed $10,000 for official reception and representation expenses; and for participation in joint projects or in the provision of services on matters of mutual interest with nonprofit, research, or public organizations or agencies, with or without reimbursement, $26,908,000; of which $1,316,000 shall remain available until expended for policy research and evaluation: Provided, That the Office is authorized to accept, hold, administer, and utilize gifts, both real and personal, public and private, without fiscal year limitation, for the purpose of aiding or facilitating the work of the Office.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the Counterdrug Technology Assessment Center for research activities pursuant to the Office of National Drug Control Policy Reauthorization Act of 1998 (21 U.S.C. 1701 et seq.), $30,000,000, which shall remain available until expended, consisting of $14,000,000 for counternarcotics research and development projects, of which up to $1,000,000 is to be directed to supply reduction activities, and $16,000,000 for the continued operation of the technology transfer program: Provided, That the $14,000,000 for counternarcotics research and development projects shall be available for transfer to other Federal departments or agencies.

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of National Drug Control Policy's High Intensity Drug Trafficking Areas program, $227,000,000 for drug control activities consistent with the approved strategy for each of the designated High Intensity Drug Trafficking Areas, of which no less than 51 percent shall be transferred to State and local entities for drug control activities, which shall be obligated within 120 days of the date of the enactment of this Act: Provided, That up to 49 percent, to remain available until September 30, 2007, may be transferred to Federal agencies and departments at a rate to be determined by the Director, of which not less than $2,000,000 shall be used for auditing services and associated activities, and at least $500,000 of the $2,000,000 shall be used to develop and implement a data collection system to measure the performance of the High Intensity Drug Trafficking Areas program: Provided further, That High Intensity Drug Trafficking Areas programs designated as of September 30, 2005, shall be funded at no less than the fiscal year 2005 initial allocation levels unless the Director submits to the Committees on Appropriations, and the Committees approve, justification for changes in those levels based on clearly articulated priorities for the High Intensity Drug Trafficking Areas programs, as well as published Office of National Drug Control Policy performance measures of effectiveness: Provided further, That a request shall be submitted in compliance with the reprogramming guidelines to the Committees on Appropriations for approval prior to the obligation of funds of an

amount in excess of the fiscal year 2005 budget request: Provided further, That none of the funds made available under this heading shall be available for the Consolidated Priority Organization Target program.

OTHER FEDERAL DRUG CONTROL PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

For activities to support a national anti-drug campaign for youth, and for other purposes, authorized by the Office of National Drug Control Policy Reauthorization Act of 1998 (21 U.S.C. 1701 et seq.), $194,900,000, to remain available until expended, of which the amounts are available as follows: $100,000,000 to support a national media campaign, as authorized by the Drug-Free Media Campaign Act of 1998: Provided, That the Office of National Drug Control Policy shall maintain funding for non-advertising services for the media campaign at no less than the fiscal year 2003 ratio of service funding to total funds and shall continue the corporate outreach program as it operated prior to its cancellation; $80,000,000 to continue a program of matching grants to drug-free communities, of which $2,000,000 shall be a directed grant to the Community Anti-Drug Coalitions of America for the National Community Anti-Drug Coalition Institute, as authorized in chapter 2 of the National Narcotics Leadership Act of 1988, as amended; $1,000,000 for the National Drug Court Institute; $1,000,000 for the National Alliance for Model State Drug Laws; $8,500,000 for the United States Anti-Doping Agency for anti-doping activities; $2,900,000 for the United States membership dues to the World Anti-Doping Agency; and $1,500,000 for evaluations and research related to National Drug Control Program performance measures: Provided further, That such funds may be transferred to other Federal departments and agencies to carry out such activities: Provided further, That of the amounts appropriated for a national media campaign, not to exceed 10 percent shall be for administration, advertising production, research and testing, labor and related costs of the national media campaign.

UNANTICIPATED NEEDS

For expenses necessary to enable the President to meet unanticipated needs, in furtherance of the national interest, security, or defense which may arise at home or abroad during the current fiscal year, as authorized by 3 U.S.C. 108, $1,000,000.

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

For necessary expenses to enable the Vice President to provide assistance to the President in connection with specially assigned functions; services as authorized by 5 U.S.C. 3109 and 3 U.S.C. 106, including subsistence expenses as authorized by 3 U.S.C. 106, which shall be expended and accounted for as provided in that section; and hire of passenger motor vehicles, $4,455,000.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For the care, operation, refurnishing, improvement, and to the extent not otherwise provided for, heating and lighting, including electric power and fixtures, of the official residence of the Vice President; the hire of passenger motor vehicles; and not to exceed $90,000 for official entertainment expenses of the Vice President, to be accounted for solely on his certificate, $325,000: Provided, That advances or repayments or transfers from this appropriation may be made to any department or agency for expenses of carrying out such activities.

This title may be cited as the ''Executive Office of the President Appropriations Act, 2006''.

TITLE VI

INDEPENDENT AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

For expenses necessary for the Architectural and Transportation Barriers Compliance Board, as authorized by section 502 of the Rehabilitation Act of 1973, as amended, $5,941,000: Provided, That, notwithstanding any other provision of law, there may be credited to this appropriation funds received for publications and training expenses.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable under 5 U.S.C. 5376, purchase of nominal awards to recognize non-Federal officials' contributions to Commission activities, and not to exceed $500 for official reception and representation expenses, $63,000,000 of which up to $500,000 shall be used to coordinate with the Administrator of the Environmental Protection Agency in the Agency's study pursuant to H.R. 2361, as passed by the Senate in the first session of the 109th Congress, to assess safety risks to both persons and the environment with regard to small engines, as required in Public Law 108–199, including real-world scenarios involving, among other things, operator burn, fire due to contact with flammable items, and refueling.

ELECTION ASSISTANCE COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out the Help America Vote Act of 2002, $14,200,000, of which $2,800,000 shall be transferred to the National Institute of Standards and Technology for election reform activities authorized under the Help America Vote Act of 2002.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended $31,000,000, to be derived from the Bank Insurance Fund, the Savings Association Insurance Fund, and the FSLIC Resolution Fund.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

For necessary expenses to carry out the provisions of the Federal Election Campaign Act of 1971, as amended, $54,700,000, of which no less than $4,700,000 shall be available for internal automated data processing systems, and of which not to exceed $5,000 shall be available for reception and representation expenses.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Federal Labor Relations Authority, pursuant to Reorganization Plan Numbered 2 of 1978, and the Civil Service Reform Act of 1978, including services authorized by 5 U.S.C. 3109, and including hire of experts and consultants, hire of passenger motor vehicles, and rental of conference rooms in the District of Columbia and elsewhere, $25,468,000: Provided, That public members of the Federal Service Impasses Panel may be paid travel expenses and per diem in lieu of subsistence as authorized by law (5 U.S.C. 5703) for persons employed intermittently in the Government service, and compensation as authorized by 5 U.S.C. 3109: Provided further, That notwithstanding 31 U.S.C. 3302, funds received from fees charged to non-Federal participants at labor-management relations conferences shall be credited to and merged with this account, to be available without further appropriation for the costs of carrying out these conferences.

FEDERAL MARITIME COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Federal Maritime Commission as authorized by section 201(d) of the Merchant Marine Act, 1936, as amended (46 U.S.C. App. 1111), including services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles as authorized by 31 U.S.C. 1343(b); and uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902, $20,499,000: Provided, That not to exceed $2,000 shall be available for official reception and representation expenses.

GENERAL SERVICES ADMINISTRATION

REAL PROPERTY ACTIVITIES

FEDERAL BUILDINGS FUND

LIMITATIONS ON AVAILABILITY OF REVENUE

(INCLUDING TRANSFER OF FUNDS)

To carry out the purposes of the Fund established pursuant to section 210(f) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 592), the revenues and collections deposited into the Fund shall be available for necessary expenses of real property management and related activities not otherwise provided for, including operation, maintenance, and protection of federally owned and leased buildings; rental of buildings in the District of Columbia; restoration of leased premises; moving governmental agencies (including space adjustments and telecommunications relocation expenses) in connection with the assignment, allocation and transfer of space; contractual services incident to cleaning or servicing buildings, and moving; repair and alteration of federally owned buildings including grounds, approaches and appurtenances; care and safeguarding of sites; maintenance, preservation, demolition, and equipment; acquisition of buildings and sites by purchase, condemnation, or as otherwise authorized by law; acquisition of options to purchase buildings and sites; conversion and extension of federally owned buildings; preliminary planning and design of projects by contract or otherwise; construction of new buildings (including equipment for such buildings); and payment of principal, interest, and any other obligations for public buildings acquired by installment purchase and purchase contract; in the aggregate amount of $7,752,745,000, of which: (1) $792,056,000 shall remain available until expended for construction (including funds for sites and expenses and associated design and construction services) of additional projects at the following locations:

New Construction:

Alabama:

Tuscaloosa, Federal Building, $34,500,000.

California:

San Diego, United States Courthouse, $230,803,000.

Colorado:

Lakewood, Denver Federal Center Infrastructure, $4,658,000.

District of Columbia:

Coast Guard Consolidation, $24,900,000.

St. Elizabeths West Campus Infrastructure, $13,095,000.

Southeast Federal Center Site Remediation, $15,000,000.

Illinois:

Rockford Federal Courthouse, $34,500,000.

Maine:

Calais, Border Station, $50,146,000.

Jackman, Border Station, $12,788,000.

Maryland:

Montgomery County, Food and Drug Administration Consolidation, $127,600,000.

Mississippi:

Jackson, United States Courthouse, $8,750,000.

Missouri:

Jefferson City, United States Courthouse, $5,200,000.

New York:

Champlain, Border Station, $52,510,000.

Massena, Border Station, $49,783,000.

Texas:

Austin, United States Courthouse, $3,000,000.

Washington:

Blaine, Peace Arch Border Station, $46,534,000.

Material Price Increases for the following existing projects: U.S. Mission to the United Nations, New York City, New York; FBI Office, Houston, Texas; Border Station, Del Rio, Texas; United States Courthouse, Cape Girardeau, Missouri; United States Courthouse, El Paso, Texas; Border Station, El Paso, Texas; and United States Courthouse, Las Cruces, New Mexico, $66,789,000.

Non-prospectus Construction, $9,500,000:

Provided, That each of the foregoing limits of costs on new construction projects may be exceeded to the extent that savings are effected in other such projects, but not to exceed 10 percent of the amounts included in an approved prospectus, if required, unless advance approval is obtained from the Committees on Appropriations of a greater amount: Provided further, That all funds for direct construction projects shall expire on September 30, 2007 and remain in the Federal Buildings Fund except for funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date; (2) $861,376,000 shall remain available until expended for repairs and alterations, which includes associated design and construction services:

Repairs and Alterations:

Arizona:

Tucson, James A. Walsh United States Courthouse, $16,136,000.

District of Columbia:

For transfer to the Navy for certain permanent relocation expenses pursuant to section 1(e) of Public Law 108–268, $2,000,000.

Eisenhower Executive Office Building, $33,417,000.

Federal Office Building 8, $47,769,000.

Heating, Operation, and Transmission District Repair, $18,783,000.

Herbert C. Hoover Building, $54,491,000.

Main Interior Federal Building, $41,399,000.

Georgia:

Atlanta, Martin Luther King, Jr., Federal Building, $30,129,000.

New York:

Brooklyn, Emanuel Celler Courthouse, $96,924,000.

New York City, James Watson Federal Building and United States Courthouse, $9,721,000.

Special Emphasis Programs:

Chlorofluorocarbons Program, $10,000,000.

Energy Program, $28,000,000.

Glass Fragmentation Program, $15,700,000.

Design Program, $21,915,000.

Basic Repairs and Alterations, $434,992,000:

Provided further, That funds made available in this or any previous Act in the Federal Buildings Fund for Repairs and Alterations shall, for prospectus projects, be limited to the amount identified for each project, except each project in this or any previous Act may be increased by an amount not to exceed 10 percent unless advance approval is obtained from the Committees on Appropriations of a greater amount: Provided further, That additional projects for which prospectuses have been fully approved may be funded under this category only if advance approval is obtained from the Committees on Appropriations: Provided further, That the amounts provided in this or any prior Act for ''Repairs and Alterations'' may be used to fund costs associated with implementing security improvements to buildings necessary to meet the minimum standards for security in accordance with current law and in compliance with the reprogramming guidelines of the appropriate Committees of the House and Senate: Provided further, That the difference between the funds appropriated and expended on any projects in this or any prior Act, under the heading ''Repairs and Alterations'', may be transferred to Basic Repairs and Alterations or used to fund authorized increases in prospectus projects: Provided further, That all funds for repairs and alterations prospectus projects shall expire on September 30, 2007 and remain in the Federal Buildings Fund except funds for projects as to which funds for design or other funds have been obligated in whole or in part prior to such date: Provided further, That the amount provided in this or any prior Act for Basic Repairs and Alterations may be used to pay claims against the Government arising from any projects under the heading ''Repairs and Alterations'' or used to fund authorized increases in prospectus projects; (3) $168,180,000 for installment acquisition payments including payments on purchase contracts which shall remain available until expended; (4) $4,046,031,000 for rental of space which shall remain available until expended; and (5) $1,885,102,000 for building operations which shall remain available until expended: Provided further, That funds available to the General Services Administration shall not be available for expenses of any construction, repair, alteration and acquisition project for which a prospectus, if required by the Public Buildings Act of 1959, as amended, has not been approved, except that necessary funds may be expended for each project for required expenses for the development of a proposed prospectus: Provided further, That funds available in the Federal Buildings Fund may be expended for emergency repairs when advance approval is obtained from the Committees on Appropriations: Provided further, That, notwithstanding any other provision of law, the Administrator of the General Services Administration is authorized and directed to proceed with site, design, acquisition, and construction for a new courthouse in Jefferson City, Missouri, of which planning and design funding is provided in this Act: Provided further, That amounts necessary to provide reimbursable special services to other agencies under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 592(b)(2)) and amounts to provide such reimbursable fencing, lighting, guard booths, and other facilities on private or other property not in Government ownership or control as may be appropriate to enable the United States Secret Service to perform its protective functions pursuant to 18 U.S.C. 3056, shall be available from such revenues and collections: Provided further, That revenues and collections and any other sums accruing to this Fund during fiscal year 2006, excluding reimbursements under section 210(f)(6) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 592(b)(2)) in excess of the aggregate new obligational authority authorized for Real Property Activities of the Federal Buildings Fund in this Act shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts.

GENERAL ACTIVITIES

GOVERNMENT-WIDE POLICY

For expenses authorized by law, not otherwise provided for, for Government-wide policy and evaluation activities associated with the management of real and personal property assets and certain administrative services; Government-wide policy support responsibilities relating to acquisition, telecommunications, information technology management, and related technology activities; and services as authorized by 5 U.S.C. 3109, $52,796,000.

OPERATING EXPENSES

For expenses authorized by law, not otherwise provided for, for Government-wide activities associated with utilization and donation of surplus personal property; disposal of real property; providing Internet access to Federal information and services; agency-wide policy direction and management, and Board of Contract Appeals; accounting, records management, and other support services incident to adjudication of Indian Tribal Claims by the United States Court of Federal Claims; services as authorized by 5 U.S.C. 3109; and not to exceed $7,500 for official reception and representation expenses, $99,890,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General and service authorized by 5 U.S.C. 3109, $43,410,000: Provided, That not to exceed $15,000 shall be available for payment for information and detection of fraud against the Government, including payment for recovery of stolen Government property: Provided further, That not to exceed $2,500 shall be available for awards to employees of other Federal agencies and private citizens in recognition of efforts and initiatives resulting in enhanced Office of Inspector General effectiveness.

ELECTRONIC GOVERNMENT FUND

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses in support of interagency projects that enable the Federal Government to expand its ability to conduct activities electronically, through the development and implementation of innovative uses of the Internet and other electronic methods, $3,000,000, to remain available until expended: Provided, That these funds may be transferred to Federal agencies to carry out the purposes of the Fund: Provided further, That this transfer authority shall be in addition to any other transfer authority provided in this Act: Provided further, That such transfers may not be made until 10 days after a proposed spending plan and justification for each project to be undertaken has been submitted to the Committees on Appropriations.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

(INCLUDING TRANSFER OF FUNDS)

For carrying out the provisions of the Act of August 25, 1958, as amended (3 U.S.C. 102 note), and Public Law 95–138, $2,952,000: Provided, That the Administrator of General Services shall transfer to the Secretary of the Treasury such sums as may be necessary to carry out the provisions of such Acts.

FEDERAL CITIZEN INFORMATION CENTER FUND

For necessary expenses of the Federal Citizen Information Center, including services authorized by 5 U.S.C. 3109, $15,000,000, to be deposited into the Federal Citizen Information Center Fund: Provided, That the appropriations, revenues, and collections deposited into the Fund shall be available for necessary expenses of Federal Citizen Information Center activities in the aggregate amount not to exceed $32,000,000. Appropriations, revenues, and collections accruing to this Fund during fiscal year 2006 in excess of such amount shall remain in the Fund and shall not be available for expenditure except as authorized in appropriations Acts.

ADMINISTRATIVE PROVISIONS—GENERAL SERVICES ADMINISTRATION

(INCLUDING TRANSFER OF FUNDS)

SEC. 601. The appropriate appropriation or fund available to the General Services Administration shall be credited with the cost of operation, protection, maintenance, upkeep, repair, and improvement, included as part of rentals received from Government corporations pursuant to law (40 U.S.C. 129).

SEC. 602. Funds available to the General Services Administration shall be available for the hire of passenger motor vehicles.

SEC. 603. Funds in the Federal Buildings Fund made available for fiscal year 2006 for Federal Buildings Fund activities may be transferred between such activities only to the extent necessary to meet program requirements: Provided, That any proposed transfers shall be approved in advance by the Committees on Appropriations.

SEC. 604. Except as otherwise provided in this title, no funds made available by this Act shall be used to transmit a fiscal year 2007 request for

United States Courthouse construction that: (1) does not meet the design guide standards for construction as established and approved by the General Services Administration, the Judicial Conference of the United States, and the Office of Management and Budget; and (2) does not reflect the priorities of the Judicial Conference of the United States as set out in its approved 5-year construction plan: Provided, That the fiscal year 2007 request must be accompanied by a standardized courtroom utilization study of each facility to be constructed, replaced, or expanded.

SEC. 605. None of the funds provided in this Act may be used to increase the amount of occupiable square feet, provide cleaning services, security enhancements, or any other service usually provided through the Federal Buildings Fund, to any agency that does not pay the rate per square foot assessment for space and services as determined by the General Services Administration in compliance with the Public Buildings Amendments Act of 1972 (Public Law 92–313).

SEC. 606. From funds made available under the heading ''Federal Buildings Fund, Limitations on Availability of Revenue'', claims against the Government of less than $250,000 arising from direct construction projects and acquisition of buildings may be liquidated from savings effected in other construction projects with prior notification to the Committees on Appropriations.

SEC. 607. The General Services Administration shall conduct a program to promote the use of stairs in all Federal buildings.

SEC. 608. No funds shall be used by the General Services Administration to reorganize its organizational structure without approval by the House and Senate Committees on Appropriations through an operating plan change.

SEC. 609. In the case of any General Services Administration (GSA) project subject to its published design criteria or specifications of any solicitations for offers issued for construction of a Federal building or courthouse and to the extent GSA utilizes, references or relies on any sustainable building rating systems that award credit for certified wood products, GSA shall ensure credit under its procedures and requirements to any project that uses wood or wood products certified by a credible third party sustainable forest certification program, including the Sustainable Forestry Initiative and the Forest Stewardship Council: Provided, That not later than 60 days after enactment of this Act, the Administrator shall report to the relevant congressional committees of jurisdiction on the progress and next steps toward recognition of other credible sustainable building rating systems within the GSA sustainable building procurement process.

SEC. 610. For purposes of the eTravel system, no less than 23 percent of all subcontracted dollars shall be allocated to small businesses.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses to carry out functions of the Merit Systems Protection Board pursuant to Reorganization Plan Numbered 2 of 1978, the Civil Service Reform Act of 1978, and the Whistleblower Protection Act of 1989 (5 U.S.C. 5509 note), as amended, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, direct procurement of survey printing, and not to exceed $2,000 for official reception and representation expenses, $35,600,000 together with not to exceed $2,605,000 for administrative expenses to adjudicate retirement appeals to be transferred from the Civil Service Retirement and Disability Fund in amounts determined by the Merit Systems Protection Board.

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

For payment to the Morris K. Udall Scholarship and Excellence in National Environmental Policy Trust Fund, pursuant to the Morris K. Udall Scholarship and Excellence in National Environmental and Native American Public Policy Act of 1992 (20 U.S.C. 5601 et seq.), $2,000,000, to remain available until expended, of which up to $50,000 shall be used to conduct financial audits pursuant to the Accountability of Tax Dollars Act of 2002 (Public Law 107–289) notwithstanding sections 8 and 9 of Public Law 102–259: Provided, That up to 60 percent of such funds may be transferred by the Morris K. Udall Scholarship and Excellence in National Environmental Policy Foundation for the necessary expenses of the Native Nations Institute.

ENVIRONMENTAL DISPUTE RESOLUTION FUND

For payment to the Environmental Dispute Resolution Fund to carry out activities authorized in the Environmental Policy and Conflict Resolution Act of 1998, $1,900,000, to remain available until expended.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

For necessary expenses in connection with the administration of the National Archives and Records Administration (including the Information Security Oversight Office) and archived Federal records and related activities, as provided by law, and for expenses necessary for the review and declassification of documents, and for the hire of passenger motor vehicles, $283,045,000: Provided, That the Archivist of the United States is authorized to use any excess funds available from the amount borrowed for construction of the National Archives facility, for expenses necessary to provide adequate storage for holdings: Provided further, That of the funds provided in this paragraph, $2,000,000 shall be for initial move of records, staffing, and operations of the Nixon Library.

ELECTRONIC RECORDS ARCHIVES

For necessary expenses in connection with the development of the electronic records archives, to include all direct project costs associated with research, analysis, design, development, and program management, $37,914,000, of which $22,000,000 shall remain available until September 30, 2008: Provided, That none of the multi-year funds may be obligated until the National Archives and Records Administration submits to the Committees on Appropriations, and such Committees approve, a plan for expenditure that: (1) meets the capital planning and investment control review requirements established by the Office of Management and Budget, including Circular A–11; (2) complies with the National Archives and Records Administration's enterprise architecture; (3) conforms with the National Archives and Records Administration's enterprise life cycle methodology; (4) is approved by the National Archives and Records Administration and the Office of Management and Budget; (5) has been reviewed by the Government Accountability Office; and (6) complies with the acquisition rules, requirements, guidelines, and systems acquisition management practices of the Federal Government.

REPAIRS AND RESTORATION

For the repair, alteration, and improvement of archives facilities, and to provide adequate storage for holdings, $9,682,000, to remain available until expended, of which $1,500,000 is to construct a new regional archives and records facility in Anchorage, Alaska, and of which $1,000,000 is for the repair and restoration of the plaza that surrounds the Lyndon Baines Johnson Presidential Library that is under the joint control and custody of the University of Texas: Provided, That such funds may be transferred directly to the University and used, together with University funds, for repair and restoration of the plaza and remain available until expended for this purpose: Provided further, That such funds shall be spent in accordance with the construction plan submitted to the Committees on Appropriations on March 14, 2005: Provided further, That the Archivist shall be prohibited from entering into any agreement with the University or any other party that requires additional funding commitments on behalf of the Federal Government.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION

GRANTS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for allocations and grants for historical publications and records as authorized by 44 U.S.C. 2504, as amended, $7,500,000, to remain available until expended: Provided, That of the funds provided in this paragraph, $2,000,000 shall be transferred to the operating expenses account for operating expenses of the National Historical Publications and Records Administration.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

During fiscal year 2006, gross obligations of the Central Liquidity Facility for the principal amount of new direct loans to member credit unions, as authorized by 12 U.S.C. 1795 et seq., shall not exceed $1,500,000,000: Provided, That administrative expenses of the Central Liquidity Facility in fiscal year 2006 shall not exceed $323,000.

COMMUNITY DEVELOPMENT REVOLVING LOAN FUND

For the Community Development Revolving Loan Fund program as authorized by 42 U.S.C. 9812, 9822 and 9910, $950,000 shall be available until September 30, 2007 for technical assistance to low-income designated credit unions, and amounts of principal and interest on loans repaid shall be available until expended for low-income designated credit unions.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

For necessary expenses of the National Transportation Safety Board, including hire of passenger motor vehicles and aircraft; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for a GS–15; uniforms, or allowances therefor, as authorized by law (5 U.S.C. 5901–5902) $76,700,000, of which not to exceed $2,000 may be used for official reception and representation expenses.

(RESCISSION)

Of the available unobligated balances made available under Public Law 106–246, $1,000,000 are rescinded.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101–8107), $118,000,000, of which $5,000,000 shall be for a multi-family rental housing program.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of Government Ethics pursuant to the Ethics in Government Act of 1978, as amended and the Ethics Reform Act of 1989, including services as authorized by 5 U.S.C. 3109, rental of conference rooms in the District of Columbia and elsewhere, hire of passenger motor vehicles, and not to exceed $1,500 for official reception and representation expenses, $11,148,000.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses to carry out functions of the Office of Personnel Management pursuant to Reorganization Plan Numbered 2 of 1978 and the Civil Service Reform Act of 1978, including services as authorized by 5 U.S.C. 3109; medical examinations performed for veterans by private physicians on a fee basis; rental of conference rooms in the District of Columbia and elsewhere; hire of passenger motor vehicles; not to exceed $2,500 for official reception and representation expenses; advances for reimbursements to applicable funds of the Office of Personnel Management and the Federal Bureau of Investigation for expenses incurred under Executive Order No. 10422 of January 9, 1953, as amended; and payment of per diem and/or subsistence allowances to employees where Voting Rights Act activities require an employee to remain overnight at his or her post of duty, $122,521,000, of which $6,983,000 shall remain available until expended for the Enterprise Human Resources Integration project; $1,450,000 shall remain available until expended for the Human Resources Line of Business project; $500,000 shall remain available until expended for the E-Training project; and $1,412,000 shall remain available until expended until September 30, 2007 for the E-Payroll project; and in addition $100,017,000 for administrative expenses, to be transferred from the appropriate trust funds of the Office of Personnel Management without regard to other statutes, including direct procurement of printed materials, for the retirement and insurance programs: Provided, That the provisions of this appropriation shall not affect the authority to use applicable trust funds as provided by sections 8348(a)(1)(B), and 9004(f)(2)(A) of title 5, United States Code: Provided further, That no part of this appropriation shall be available for salaries and expenses of the Legal Examining Unit of the Office of Personnel Management established pursuant to Executive Order No. 9358 of July 1, 1943, or any successor unit of like purpose: Provided further, That the President's Commission on White House Fellows, established by Executive Order No. 11183 of October 3, 1964, may, during fiscal year 2006, accept donations of money, property, and personal services: Provided further, That such donations, including those from prior years, may be used for the development of publicity materials to provide information about the White House Fellows, except that no such donations shall be accepted for travel or reimbursement of travel expenses, or for the salaries of employees of such Commission.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act, as amended, including services as authorized by 5 U.S.C. 3109, hire of passenger motor vehicles, $2,071,000, and in addition, not to exceed $16,329,000 for administrative expenses to audit, investigate, and provide other oversight of the Office of Personnel Management's retirement and insurance programs, to be transferred from the appropriate trust funds of the Office of Personnel Management, as determined by the Inspector General: Provided, That the Inspector General is authorized to rent conference rooms in the District of Columbia and elsewhere.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

For payment of Government contributions with respect to retired employees, as authorized by chapter 89 of title 5, United States Code, and the Retired Federal Employees Health Benefits Act (74 Stat. 849), as amended, such sums as may be necessary.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEE LIFE INSURANCE

For payment of Government contributions with respect to employees retiring after December 31, 1989, as required by chapter 87 of title 5, United States Code, such sums as may be necessary.

PAYMENT TO CIVIL SERVICE RETIREMENT AND DISABILITY FUND

For financing the unfunded liability of new and increased annuity benefits becoming effective on or after October 20, 1969, as authorized by 5 U.S.C. 8348, and annuities under special Acts to be credited to the Civil Service Retirement and Disability Fund, such sums as may be necessary: Provided, That annuities authorized by the Act of May 29, 1944, as amended, and the Act of August 19, 1950, as amended (33 U.S.C. 771–775), may hereafter be paid out of the Civil Service Retirement and Disability Fund.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

For necessary expenses to carry out functions of the Office of Special Counsel pursuant to Reorganization Plan Numbered 2 of 1978, the Civil Service Reform Act of 1978 (Public Law 95–454), as amended, the Whistleblower Protection Act of 1989 (Public Law 101–12), as amended, Public Law 107–304, and the Uniformed Services Employment and Reemployment Act of 1994 (Public Law 103–353), including services as authorized by 5 U.S.C. 3109, payment of fees and expenses for witnesses, rental of conference rooms in the District of Columbia and elsewhere, and hire of passenger motor vehicles; $15,325,000.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by 5 U.S.C. 4101–4118 for civilian employees; purchase of uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109; and not to exceed $750 for official reception and representation expenses; $25,000,000: Provided, That during the current fiscal year, the President may exempt this appropriation from the provisions of 31 U.S.C. 1341, whenever the President deems such action to be necessary in the interest of national defense: Provided further, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

OPERATING EXPENSES

For necessary expenses (including payment of salaries, authorized travel, hire of passenger motor vehicles, the rental of conference rooms, and the employment of experts and consultants under section 3109 of title 5, United States Code) of the United States Interagency Council on Homelessness in carrying out the functions pursuant to title II of the McKinney-Vento Homeless Assistance Act, as amended, $1,800,000.

Title II of the McKinney-Vento Homeless Assistance Act, as amended, is amended in section 209 by striking ''2005'' and inserting ''2006''.

UNITED STATES POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

For payment to the Postal Service Fund for revenue forgone on free and reduced rate mail, pursuant to subsections (c) and (d) of section 2401 of title 39, United States Code, $116,350,000, of which $73,000,000 shall not be available for obligation until October 1, 2006: Provided, That mail for overseas voting and mail for the blind shall continue to be free: Provided further, That 6-day delivery and rural delivery of mail shall continue at not less than the 1983 level: Provided further, That none of the funds made available to the Postal Service by this Act shall be used to implement any rule, regulation, or policy of charging any officer or employee of any State or local child support enforcement agency, or any individual participating in a State or local program of child support enforcement, a fee for information requested or provided concerning an address of a postal customer: Provided further, That none of the funds provided in this Act shall be used to consolidate or close small rural and other small post offices in fiscal year 2006.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

For necessary expenses, including contract reporting and other services as authorized by 5 U.S.C. 3109, $47,998,000: Provided, That travel expenses of the judges shall be paid upon the written certificate of the judge.

TITLE VII

GENERAL PROVISIONS THIS ACT

(INCLUDING TRANSFERS OF FUNDS)

SEC. 701. Such sums as may be necessary for fiscal year 2006 pay raises for programs funded in this Act shall be absorbed within the levels appropriated in this Act or previous appropriations Acts.

SEC. 702. None of the funds in this Act shall be used for the planning or execution of any program to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings funded in this Act.

SEC. 703. None of the funds appropriated in this Act shall remain available for obligation beyond the current fiscal year, nor may any be transferred to other appropriations, unless expressly so provided herein.

SEC. 704. The expenditure of any appropriation under this Act for any consulting service through procurement contract pursuant to section 3109 of title 5, United States Code, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive order issued pursuant to existing law.

SEC. 705. None of the funds made available in this Act may be transferred to any department, agency, or instrumentality of the United States Government, except pursuant to a transfer made by, or transfer authority provided in, this Act or any other appropriations Act.

SEC. 706. None of the funds made available by this Act shall be available for any activity or for paying the salary of any Government employee where funding an activity or paying a salary to a Government employee would result in a decision, determination, rule, regulation, or policy that would prohibit the enforcement of section 307 of the Tariff Act of 1930 (19 U.S.C. 1307).

SEC. 707. No part of any appropriation contained in this Act shall be available to pay the salary for any person filling a position, other than a temporary position, formerly held by an employee who has left to enter the Armed Forces of the United States and has satisfactorily completed his period of active military or naval service, and has within 90 days after his release from such service or from hospitalization continuing after discharge for a period of not more than 1 year, made application for restoration to his former position and has been certified by the Office of Personnel Management as still qualified to perform the duties of his former position and has not been restored thereto.

SEC. 708. No funds appropriated pursuant to this Act may be expended by an entity unless the entity agrees that in expending the assistance the entity will comply with sections 2 through 4 of the Act of March 3, 1933 (41 U.S.C. 10a–10c, popularly known as the ''Buy American Act'').

SEC. 709. No funds appropriated or otherwise made available under this Act shall be made available to any person or entity that has been

convicted of violating the Buy American Act (41 U.S.C. 10a–10c).

SEC. 710. Except as otherwise provided in this Act, none of the funds provided in this Act, provided by previous appropriations Acts to the agencies or entities funded in this Act that remain available for obligation or expenditure in fiscal year 2006, or provided from any accounts in the Treasury derived by the collection of fees and available to the agencies funded by this Act, shall be available for obligation or expenditure through a reprogramming of funds that: (1) creates a new program; (2) eliminates a program, project, or activity; (3) increases funds or personnel for any program, project, or activity for which funds have been denied or restricted by the Congress; (4) proposes to use funds directed for a specific activity by either the House or Senate Committees on Appropriations for a different purpose; (5) augments existing programs, projects, or activities in excess of $5,000,000 or 10 percent, whichever is less; (6) reduces existing programs, projects, or activities by $5,000,000 or 10 percent, whichever is less; or (7) creates, reorganizes, or restructures a branch, division, office, bureau, board, commission, agency, administration, or department different from the budget justifications submitted to the Committees on Appropriations or the table accompanying the statement of the managers accompanying this Act, whichever is more detailed, unless prior approval is received from the House and Senate Committees on Appropriations: Provided, That not later than 60 days after the date of enactment of this Act, each agency funded by this Act shall submit a report to the Committees on Appropriations of the Senate and of the House of Representatives to establish the baseline for application of reprogramming and transfer authorities for the current fiscal year: Provided further, That the report shall include: (1) a table for each appropriation with a separate column to display the President's budget request, adjustments made by Congress, adjustments due to enacted rescissions, if appropriate, and the fiscal year enacted level; (2) a delineation in the table for each appropriation both by object class and program, project, and activity as detailed in the budget appendix for the respective appropriation; and (3) an identification of items of special congressional interest: Provided further, That the amount appropriated or limited for salaries and expenses for an agency shall be reduced by $100,000 per day for each day after the required date that the report has not been submitted to the Congress.

SEC. 711. Except as otherwise specifically provided by law, not to exceed 50 percent of unobligated balances remaining available at the end of fiscal year 2006 from appropriations made available for salaries and expenses for fiscal year 2006 in this Act, shall remain available through September 30, 2007, for each such account for the purposes authorized: Provided, That a request shall be submitted to the Committees on Appropriations for approval prior to the expenditure of such funds: Provided further, That these requests shall be made in compliance with reprogramming guidelines.

SEC. 712. None of the funds made available in this Act may be used by the Executive Office of the President to request from the Federal Bureau of Investigation any official background investigation report on any individual, except when—

(1) such individual has given his or her express written consent for such request not more than 6 months prior to the date of such request and during the same presidential administration; or

(2) such request is required due to extraordinary circumstances involving national security.

SEC. 713. The cost accounting standards promulgated under section 26 of the Office of Federal Procurement Policy Act (Public Law 93–400; 41 U.S.C. 422) shall not apply with respect to a contract under the Federal Employees Health Benefits Program established under chapter 89 of title 5, United States Code.

SEC. 714. For the purpose of resolving litigation and implementing any settlement agreements regarding the nonforeign area cost-of-living allowance program, the Office of Personnel Management may accept and utilize (without regard to any restriction on unanticipated travel expenses imposed in an Appropriations Act) funds made available to the Office pursuant to court approval.

SEC. 715. No funds appropriated by this Act shall be available to pay for an abortion, or the administrative expenses in connection with any health plan under the Federal employees health benefits program which provides any benefits or coverage for abortions.

SEC. 716. The provision of section 715 shall not apply where the life of the mother would be endangered if the fetus were carried to term, or the pregnancy is the result of an act of rape or incest.

SEC. 717. In order to promote Government access to commercial information technology, the restriction on purchasing nondomestic articles, materials, and supplies set forth in the Buy American Act (41 U.S.C. 10a et seq.), shall not apply to the acquisition by the Federal Government of information technology (as defined in section 11101 of title 40, United States Code), that is a commercial item (as defined in section 4(12) of the Office of Federal Procurement Policy Act (41 U.S.C. 403(12)).

SEC. 718. None of the funds made available in the Act may be used to finalize, implement, administer, or enforce—

(1) the proposed rule relating to the determination that real estate brokerage is an activity that is financial in nature or incidental to a financial activity published in the Federal Register on January 3, 2001 (66 Fed. Reg. 307 et seq.); or

(2) the revision proposed in such rule to section 1501.2 of title 12 of the Code of Federal Regulations.

SEC. 719. All Federal agencies and departments that are funded under this Act shall issue a report to the House and Senate Committees on Appropriations on all sole source contracts by no later than July 31, 2006. Such report shall include the contractor, the amount of the contract and the rationale for using a sole source contract.

SEC. 720. The Secretary of the Treasury may transfer funds from amounts appropriated under title II of this Act for any costs necessary to pay for both career and non-career senior Treasury officials and support staff in locations of economic strategic interest throughout the world. Such positions would be used to advocate positions of interest to the United States Government, including open and fair financial markets, consistent with the Secretary's obligation under the Gold Reserve Act of 1934 (48 Stat. 337) to promote orderly exchange arrangements and an orderly system of exchange rates. Any transfer shall not be made available until approved in an operating plan request by the House and Senate Committees on Appropriations.

SEC. 721. Section 640(c) of the Treasury and General Government Appropriations Act, 2000 (Public Law 106–58; 2 U.S.C. 437g note), as amended by section 642 of the Treasury and General Government Appropriations Act, 2002 (Public Law 107–67) and by section 639 of the Transportation, Treasury, and Independent Agencies Appropriations Act, 2004 (Public Law 108–199), is amended by striking ''December 31, 2005'' and inserting ''December 31, 2008''.

SEC. 722. The Secretary of the Treasury may make payments from the Treasury Forfeiture Fund to reimburse the United States Secret Service for costs of protecting the Secretary of the Treasury: Provided, That the United States Secret Service shall provide the Department of the Treasury with a detailed, itemized list of expenses associated with such protection: Provided further, That the Comptroller General shall review all expenditures related to such protection and shall determine if each expense is a reasonable and unavoidable cost of this protection: Provided further, That all such reimbursable expenses shall be subject to a memorandum of understanding between the Department of the Treasury and the United States Secret Service.

SEC. 723. Section 101 of the Second Emergency Supplemental Appropriations Act to Meet Immediate Needs Arising From the Consequences of Hurricane Katrina, 2005 (Public Law 109–62; 119 Stat. 1992) is repealed.

SEC. 724. (a) IN GENERAL.—None of the funds appropriated or otherwise made available by this Act may be used for any Federal Government contract with any foreign incorporated entity which is treated as an inverted domestic corporation under section 835(b) of the Homeland Security Act of 2002 (6 U.S.C. 395(b)) or any subsidiary of such an entity.

(b) WAIVERS.—

(1) IN GENERAL.—Any Secretary shall waive subsection (a) with respect to any Federal Government contract under the authority of such Secretary if the Secretary determines that the waiver is required in the interest of national security.

(2) REPORT TO CONGRESS.—Any Secretary issuing a waiver under paragraph (1) shall report such issuance to Congress.

(c) EXCEPTION.—This section shall not apply to any Federal Government contract entered into before the date of the enactment of this Act, or to any task order issued pursuant to such contract.

SEC. 725. From funds made available in this Act under the headings ''White House Office'', ''Executive Residence at the White House'', ''White House Repair and Restoration'', ''Council of Economic Advisors'', ''National Security Council'', ''Office of Administration'', ''Office of Policy Development'', ''Special Assistance to the President'', and ''Official Residence of the Vice President'', the Director of the Office of Management and Budget (or such other officer as the President may designate in writing), may, fifteen days after giving notice to the House and Senate Committees on Appropriations, transfer not to exceed 10 percent of any such appropriation to any other such appropriation, to be merged with and available for the same time and for the same purposes as the appropriation to which transferred: Provided, That the amount of an appropriation shall not be increased by more than 50 percent by such transfers: Provided further, That no amount shall be transferred from ''Special Assistance to the President'' or ''Official Residence of the Vice President'' without the approval of the Vice President.

SEC. 726. No funds in this Act may be used to support any Federal, State, or local projects that seek to use the power of eminent domain, unless eminent domain is employed only for a public use: Provided, That for purposes of this section, public use shall not be construed to include economic development that primarily benefits private entities: Provided further, That any use of funds for mass transit, railroad, airport, seaport or highway projects as well as utility projects which benefit or serve the general public (including energy-related, communication-related, water-related and wastewater-related infrastructure), other structures designated for use by the general public or which have other common-carrier or public-utility functions that serve the general public and are subject to regulation and oversight by the government, and projects for the removal of an immediate threat to public health and safety or brownfields as defined in the Small Business Liability Relief and Brownfields Revitalization Act (Public Law 107–118) shall be considered a public use for purposes of eminent domain: Provided further, That the Government Accountability Office, in consultation with the National Academy of Public

Administration, organizations representing State and local governments, and property rights organizations, shall conduct a study to be submitted to the Congress within 12 months of the enactment of this Act on the nationwide use of eminent domain, including the procedures used and the results accomplished on a state-by-state basis as well as the impact on individual property owners and on the affected communities.

TITLE VIII

GENERAL PROVISIONS GOVERNMENT-WIDE

DEPARTMENTS, AGENCIES, AND CORPORATIONS

SEC. 801. Funds appropriated in this or any other Act may be used to pay travel to the United States for the immediate family of employees serving abroad in cases of death or life threatening illness of said employee.

SEC. 802. No department, agency, or instrumentality of the United States receiving appropriated funds under this or any other Act for fiscal year 2006 shall obligate or expend any such funds, unless such department, agency, or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from the illegal use, possession, or distribution of controlled substances (as defined in the Controlled Substances Act (21 U.S.C. 802)) by the officers and employees of such department, agency, or instrumentality.

SEC. 803. Unless otherwise specifically provided, the maximum amount allowable during the current fiscal year in accordance with section 16 of the Act of August 2, 1946 (60 Stat. 810), for the purchase of any passenger motor vehicle (exclusive of buses, ambulances, law enforcement, and undercover surveillance vehicles), is hereby fixed at $8,100 except station wagons for which the maximum shall be $9,100: Provided, That these limits may be exceeded by not to exceed $3,700 for police-type vehicles, and by not to exceed $4,000 for special heavy-duty vehicles: Provided further, That the limits set forth in this section may not be exceeded by more than 5 percent for electric or hybrid vehicles purchased for demonstration under the provisions of the Electric and Hybrid Vehicle Research, Development, and Demonstration Act of 1976: Provided further, That the limits set forth in this section may be exceeded by the incremental cost of clean alternative fuels vehicles acquired pursuant to Public Law 101–549 over the cost of comparable conventionally fueled vehicles.

SEC. 804. Appropriations of the executive departments and independent establishments for the current fiscal year available for expenses of travel, or for the expenses of the activity concerned, are hereby made available for quarters allowances and cost-of-living allowances, in accordance with 5 U.S.C. 5922–5924.

SEC. 805. Unless otherwise specified during the current fiscal year, no part of any appropriation contained in this or any other Act shall be used to pay the compensation of any officer or employee of the Government of the United States (including any agency the majority of the stock of which is owned by the Government of the United States) whose post of duty is in the continental United States unless such person: (1) is a citizen of the United States; (2) is a person in the service of the United States on the date of the enactment of this Act who, being eligible for citizenship, has filed a declaration of intention to become a citizen of the United States prior to such date and is actually residing in the United States; (3) is a person who owes allegiance to the United States; (4) is an alien from Cuba, Poland, South Vietnam, the countries of the former Soviet Union, or the Baltic countries lawfully admitted to the United States for permanent residence; (5) is a South Vietnamese, Cambodian, or Laotian refugee paroled in the United States after January 1, 1975; or (6) is a national of the People's Republic of China who qualifies for adjustment of status pursuant to the Chinese Student Protection Act of 1992 (Public Law 102–404): Provided, That for the purpose of this section, an affidavit signed by any such person shall be considered prima facie evidence that the requirements of this section with respect to his or her status have been complied with: Provided further, That any person making a false affidavit shall be guilty of a felony, and, upon conviction, shall be fined no more than $4,000 or imprisoned for not more than 1 year, or both: Provided further, That the above penal clause shall be in addition to, and not in substitution for, any other provisions of existing law: Provided further, That any payment made to any officer or employee contrary to the provisions of this section shall be recoverable in action by the Federal Government. This section shall not apply to citizens of Ireland, Israel, or the Republic of the Philippines, or to nationals of those countries allied with the United States in a current defense effort, or to international broadcasters employed by the United States Information Agency, or to temporary employment of translators, or to temporary employment in the field service (not to exceed 60 days) as a result of emergencies.

SEC. 806. Appropriations available to any department or agency during the current fiscal year for necessary expenses, including maintenance or operating expenses, shall also be available for payment to the General Services Administration for charges for space and services and those expenses of renovation and alteration of buildings and facilities which constitute public improvements performed in accordance with the Public Buildings Act of 1959 (73 Stat. 749), the Public Buildings Amendments of 1972 (87 Stat. 216), or other applicable law.

SEC. 807. In addition to funds provided in this or any other Act, all Federal agencies are authorized to receive and use funds resulting from the sale of materials, including Federal records disposed of pursuant to a records schedule recovered through recycling or waste prevention programs. Such funds shall be available until expended for the following purposes:

(1) Acquisition, waste reduction and prevention, and recycling programs as described in Executive Order No. 13101 (September 14, 1998), including any such programs adopted prior to the effective date of the Executive order.

(2) Other Federal agency environmental management programs, including, but not limited to, the development and implementation of hazardous waste management and pollution prevention programs.

(3) Other employee programs as authorized by law or as deemed appropriate by the head of the Federal agency.

SEC. 808. Funds made available by this or any other Act for administrative expenses in the current fiscal year of the corporations and agencies subject to chapter 91 of title 31, United States Code, shall be available, in addition to objects for which such funds are otherwise available, for rent in the District of Columbia; services in accordance with 5 U.S.C. 3109; and the objects specified under this head, all the provisions of which shall be applicable to the expenditure of such funds unless otherwise specified in the Act by which they are made available: Provided, That in the event any functions budgeted as administrative expenses are subsequently transferred to or paid from other funds, the limitations on administrative expenses shall be correspondingly reduced.

SEC. 809. No part of any appropriation for the current fiscal year contained in this or any other Act shall be paid to any person for the filling of any position for which he or she has been nominated after the Senate has voted not to approve the nomination of said person.

SEC. 810. No part of any appropriation contained in this or any other Act shall be available for interagency financing of boards (except Federal Executive Boards), commissions, councils, committees, or similar groups (whether or not they are interagency entities) which do not have a prior and specific statutory approval to receive financial support from more than one agency or instrumentality.

SEC. 811. Funds made available by this or any other Act to the Postal Service Fund (39 U.S.C. 2003) shall be available for employment of guards for all buildings and areas owned or occupied by the Postal Service or under the charge and control of the Postal Service. The Postal Service may give such guards, with respect to such property, any of the powers of special policemen provided under 40 U.S.C. 1315. The Postmaster General, or his designee, may take any action that the Secretary of Homeland Security may take under such section with respect to that property.

SEC. 812. None of the funds made available pursuant to the provisions of this Act shall be used to implement, administer, or enforce any regulation which has been disapproved pursuant to a joint resolution duly adopted in accordance with the applicable law of the United States.

SEC. 813. (a) Notwithstanding any other provision of law, and except as otherwise provided in this section, no part of any of the funds appropriated for fiscal year 2006, by this or any other Act, may be used to pay any prevailing rate employee described in section 5342(a)(2)(A) of title 5, United States Code—

(1) during the period from the date of expiration of the limitation imposed by the comparable section for previous fiscal years until the normal effective date of the applicable wage survey adjustment that is to take effect in fiscal year 2006, in an amount that exceeds the rate payable for the applicable grade and step of the applicable wage schedule in accordance with such section; and

(2) during the period consisting of the remainder of fiscal year 2006, in an amount that exceeds, as a result of a wage survey adjustment, the rate payable under paragraph (1) by more than the sum of—

(A) the percentage adjustment taking effect in fiscal year 2006 under section 5303 of title 5, United States Code, in the rates of pay under the General Schedule; and

(B) the difference between the overall average percentage of the locality-based comparability payments taking effect in fiscal year 2006 under section 5304 of such title (whether by adjustment or otherwise), and the overall average percentage of such payments which was effective in the previous fiscal year under such section.

(b) Notwithstanding any other provision of law, no prevailing rate employee described in subparagraph (B) or (C) of section 5342(a)(2) of title 5, United States Code, and no employee covered by section 5348 of such title, may be paid during the periods for which subsection (a) is in effect at a rate that exceeds the rates that would be payable under subsection (a) were subsection (a) applicable to such employee.

(c) For the purposes of this section, the rates payable to an employee who is covered by this section and who is paid from a schedule not in existence on September 30, 2005, shall be determined under regulations prescribed by the Office of Personnel Management.

(d) Notwithstanding any other provision of law, rates of premium pay for employees subject to this section may not be changed from the rates in effect on September 30, 2005, except to the extent determined by the Office of Personnel Management to be consistent with the purpose of this section.

(e) This section shall apply with respect to pay for service performed after September 30, 2005.

(f) For the purpose of administering any provision of law (including any rule or regulation that provides premium pay, retirement, life insurance, or any other employee benefit) that requires any deduction or contribution, or that imposes any requirement or limitation on the basis of a rate of salary or basic pay, the rate

of salary or basic pay payable after the application of this section shall be treated as the rate of salary or basic pay.

(g) Nothing in this section shall be considered to permit or require the payment to any employee covered by this section at a rate in excess of the rate that would be payable were this section not in effect.

(h) The Office of Personnel Management may provide for exceptions to the limitations imposed by this section if the Office determines that such exceptions are necessary to ensure the recruitment or retention of qualified employees.

SEC. 814. During the period in which the head of any department or agency, or any other officer or civilian employee of the Government appointed by the President of the United States, holds office, no funds may be obligated or expended in excess of $5,000 to furnish or redecorate the office of such department head, agency head, officer, or employee, or to purchase furniture or make improvements for any such office, unless advance notice of such furnishing or redecoration is expressly approved by the Committees on Appropriations. For the purposes of this section, the term ''office'' shall include the entire suite of offices assigned to the individual, as well as any other space used primarily by the individual or the use of which is directly controlled by the individual.

SEC. 815. Notwithstanding section 1346 of title 31, United States Code, or section 809 of this Act, funds made available for the current fiscal year by this or any other Act shall be available for the interagency funding of national security and emergency preparedness telecommunications initiatives which benefit multiple Federal departments, agencies, or entities, as provided by Executive Order No. 12472 (April 3, 1984).

SEC. 816. (a) None of the funds appropriated by this or any other Act may be obligated or expended by any Federal department, agency, or other instrumentality for the salaries or expenses of any employee appointed to a position of a confidential or policy-determining character excepted from the competitive service pursuant to section 3302 of title 5, United States Code, without a certification to the Office of Personnel Management from the head of the Federal department, agency, or other instrumentality employing the Schedule C appointee that the Schedule C position was not created solely or primarily in order to detail the employee to the White House.

(b) The provisions of this section shall not apply to Federal employees or members of the armed services detailed to or from—

(1) the Central Intelligence Agency;

(2) the National Security Agency;

(3) the Defense Intelligence Agency;

(4) the offices within the Department of Defense for the collection of specialized national foreign intelligence through reconnaissance programs;

(5) the Bureau of Intelligence and Research of the Department of State;

(6) any agency, office, or unit of the Army, Navy, Air Force, and Marine Corps, the Department of Homeland Security, the Federal Bureau of Investigation and the Drug Enforcement Administration of the Department of Justice, the Department of Transportation, the Department of the Treasury, and the Department of Energy performing intelligence functions; and

(7) the Director of National Intelligence or the Office of the Director of National Intelligence.

SEC. 817. No department, agency, or instrumentality of the United States receiving appropriated funds under this or any other Act for the current fiscal year shall obligate or expend any such funds, unless such department, agency, or instrumentality has in place, and will continue to administer in good faith, a written policy designed to ensure that all of its workplaces are free from discrimination and sexual harassment and that all of its workplaces are not in violation of title VII of the Civil Rights Act of 1964 (Public Law 88–352, 78 Stat. 241), as amended, the Age Discrimination in Employment Act of 1967 (Public Law 90–202, 81 Stat. 602), and the Rehabilitation Act of 1973 (Public Law 93–112, 87 Stat. 355).

SEC. 818. No part of any appropriation contained in this or any other Act shall be available for the payment of the salary of any officer or employee of the Federal Government, who—

(1) prohibits or prevents, or attempts or threatens to prohibit or prevent, any other officer or employee of the Federal Government from having any direct oral or written communication or contact with any Member, committee, or subcommittee of the Congress in connection with any matter pertaining to the employment of such other officer or employee or pertaining to the department or agency of such other officer or employee in any way, irrespective of whether such communication or contact is at the initiative of such other officer or employee or in response to the request or inquiry of such Member, committee, or subcommittee; or

(2) removes, suspends from duty without pay, demotes, reduces in rank, seniority, status, pay, or performance of efficiency rating, denies promotion to, relocates, reassigns, transfers, disciplines, or discriminates in regard to any employment right, entitlement, or benefit, or any term or condition of employment of, any other officer or employee of the Federal Government, or attempts or threatens to commit any of the foregoing actions with respect to such other officer or employee, by reason of any communication or contact of such other officer or employee with any Member, committee, or subcommittee of the Congress as described in paragraph (1).

SEC. 819. (a) None of the funds made available in this or any other Act may be obligated or expended for any employee training that—

(1) does not meet identified needs for knowledge, skills, and abilities bearing directly upon the performance of official duties;

(2) contains elements likely to induce high levels of emotional response or psychological stress in some participants;

(3) does not require prior employee notification of the content and methods to be used in the training and written end of course evaluation;

(4) contains any methods or content associated with religious or quasi-religious belief systems or ''new age'' belief systems as defined in Equal Employment Opportunity Commission Notice N–915.022, dated September 2, 1988; or

(5) is offensive to, or designed to change, participants' personal values or lifestyle outside the workplace.

(b) Nothing in this section shall prohibit, restrict, or otherwise preclude an agency from conducting training bearing directly upon the performance of official duties.

SEC. 820. No funds appropriated in this or any other Act may be used to implement or enforce the agreements in Standard Forms 312 and 4414 of the Government or any other nondisclosure policy, form, or agreement if such policy, form, or agreement does not contain the following provisions: ''These restrictions are consistent with and do not supersede, conflict with, or otherwise alter the employee obligations, rights, or liabilities created by Executive Order No. 12958; section 7211 of title 5, United States Code (governing disclosures to Congress); section 1034 of title 10, United States Code, as amended by the Military Whistleblower Protection Act (governing disclosure to Congress by members of the military); section 2302(b)(8) of title 5, United States Code, as amended by the Whistleblower Protection Act (governing disclosures of illegality, waste, fraud, abuse or public health or safety threats); the Intelligence Identities Protection Act of 1982 (50 U.S.C. 421 et seq.) (governing disclosures that could expose confidential Government agents); and the statutes which protect against disclosure that may compromise the national security, including sections 641, 793, 794, 798, and 952 of title 18, United States Code, and section 4(b) of the Subversive Activities Act of 1950 (50 U.S.C. 783(b)). The definitions, requirements, obligations, rights, sanctions, and liabilities created by said Executive order and listed statutes are incorporated into this agreement and are controlling.'': Provided, That notwithstanding the preceding paragraph, a nondisclosure policy form or agreement that is to be executed by a person connected with the conduct of an intelligence or intelligence-related activity, other than an employee or officer of the United States Government, may contain provisions appropriate to the particular activity for which such document is to be used. Such form or agreement shall, at a minimum, require that the person will not disclose any classified information received in the course of such activity unless specifically authorized to do so by the United States Government. Such nondisclosure forms shall also make it clear that they do not bar disclosures to Congress or to an authorized official of an executive agency or the Department of Justice that are essential to reporting a substantial violation of law.

SEC. 821. No part of any funds appropriated in this or any other Act shall be used by an agency of the executive branch, other than for normal and recognized executive-legislative relationships, for publicity or propaganda purposes, and for the preparation, distribution or use of any kit, pamphlet, booklet, publication, radio, television or film presentation designed to support or defeat legislation pending before the Congress, except in presentation to the Congress itself.

SEC. 822. None of the funds appropriated by this or any other Act may be used by an agency to provide a Federal employee's home address to any labor organization except when the employee has authorized such disclosure or when such disclosure has been ordered by a court of competent jurisdiction.

SEC. 823. None of the funds made available in this Act or any other Act may be used to provide any non-public information such as mailing or telephone lists to any person or any organization outside of the Federal Government without the approval of the Committees on Appropriations.

SEC. 824. No part of any appropriation contained in this or any other Act shall be used directly or indirectly, including by private contractor, for publicity or propaganda purposes within the United States not heretofor authorized by the Congress.

SEC. 825. (a) In this section the term ''agency''—

(1) means an Executive agency as defined under section 105 of title 5, United States Code;

(2) includes a military department as defined under section 102 of such title, the Postal Service, and the Postal Rate Commission; and

(3) shall not include the Government Accountability Office.

(b) Unless authorized in accordance with law or regulations to use such time for other purposes, an employee of an agency shall use official time in an honest effort to perform official duties. An employee not under a leave system, including a Presidential appointee exempted under section 6301(2) of title 5, United States Code, has an obligation to expend an honest effort and a reasonable proportion of such employee's time in the performance of official duties.

SEC. 826. Notwithstanding 31 U.S.C. 1346 and section 810 of this Act, funds made available for the current fiscal year by this or any other Act to any department or agency, which is a member of the Federal Accounting Standards Advisory Board (FASAB), shall be available to finance an appropriate share of FASAB administrative costs.

SEC. 827. Notwithstanding 31 U.S.C. 1346 and section 910 of this Act, the head of each Executive department and agency is hereby authorized to transfer to or reimburse ''General Services Administration, Government-wide Policy''

with the approval of the Director of the Office of Management and Budget, funds made available for the current fiscal year by this or any other Act, including rebates from charge card and other contracts: Provided, That these funds shall be administered by the Administrator of General Services to support Government-wide financial, information technology, procurement, and other management innovations, initiatives, and activities, as approved by the Director of the Office of Management and Budget, in consultation with the appropriate interagency groups designated by the Director (including the Chief Financial Officers Council and the Joint Financial Management Improvement Program for financial management initiatives, the Chief Information Officers Council for information technology initiatives, the Chief Human Capital Officers Council for human capital initiatives, and the Federal Acquisition Council for procurement initiatives). The total funds transferred or reimbursed shall not exceed $10,000,000. Such transfers or reimbursements may only be made 15 days following notification of the Committees on Appropriations by the Director of the Office of Management and Budget.

SEC. 828. Notwithstanding any other provision of law, a woman may breastfeed her child at any location in a Federal building or on Federal property, if the woman and her child are otherwise authorized to be present at the location.

SEC. 829. Nothwithstanding section 1346 of title 31, United States Code, or section 810 of this Act, funds made available for the current fiscal year by this or any other Act shall be available for the interagency funding of specific projects, workshops, studies, and similar efforts to carry out the purposes of the National Science and Technology Council (authorized by Executive Order No. 12881), which benefit multiple Federal departments, agencies, or entities: Provided, That the Office of Management and Budget shall provide a report describing the budget of and resources connected with the National Science and Technology Council to the Committees on Appropriations, the House Committee on Science; and the Senate Committee on Commerce, Science, and Transportation 90 days after enactment of this Act.

SEC. 830. Any request for proposals, solicitation, grant application, form, notification, press release, or other publications involving the distribution of Federal funds shall indicate the agency providing the funds, the Catalog of Federal Domestic Assistance Number, as applicable, and the amount provided: Provided, That this provision shall apply to direct payments, formula funds, and grants received by a State receiving Federal funds.

SEC. 831. Subsection (f) of section 403 of Public Law 103–356 (31 U.S.C. 501 note), as amended, is further amended by striking ''October 1, 2005'' and inserting ''October 1, 2006'': Provided, That this provision shall not apply to the Department of Homeland Security.

SEC. 832. (a) PROHIBITION OF FEDERAL AGENCY MONITORING OF INDIVIDUALS' INTERNET USE.—None of the funds made available in this or any other Act may be used by any Federal agency—

(1) to collect, review, or create any aggregation of data, derived from any means, that includes any personally identifiable information relating to an individual's access to or use of any Federal Government Internet site of the agency; or

(2) to enter into any agreement with a third party (including another government agency) to collect, review, or obtain any aggregation of data, derived from any means, that includes any personally identifiable information relating to an individual's access to or use of any non-governmental Internet site.

(b) EXCEPTIONS.—The limitations established in subsection (a) shall not apply to—

(1) any record of aggregate data that does not identify particular persons;

(2) any voluntary submission of personally identifiable information;

(3) any action taken for law enforcement, regulatory, or supervisory purposes, in accordance with applicable law; or

(4) any action described in subsection (a)(1) that is a system security action taken by the operator of an Internet site and is necessarily incident to providing the Internet site services or to protecting the rights or property of the provider of the Internet site.

(c) DEFINITIONS.—For the purposes of this section:

(1) The term ''regulatory'' means agency actions to implement, interpret or enforce authorities provided in law.

(2) The term ''supervisory'' means examinations of the agency's supervised institutions, including assessing safety and soundness, overall financial condition, management practices and policies and compliance with applicable standards as provided in law.

SEC. 833. (a) None of the funds appropriated by this Act may be used to enter into or renew a contract which includes a provision providing prescription drug coverage, except where the contract also includes a provision for contraceptive coverage.

(b) Nothing in this section shall apply to a contract with—

(1) any of the following religious plans:

(A) Personal Care's HMO; and

(B) OSF HealthPlans, Inc.; and

(2) any existing or future plan, if the carrier for the plan objects to such coverage on the basis of religious beliefs.

(c) In implementing this section, any plan that enters into or renews a contract under this section may not subject any individual to discrimination on the basis that the individual refuses to prescribe or otherwise provide for contraceptives because such activities would be contrary to the individual's religious beliefs or moral convictions.

(d) Nothing in this section shall be construed to require coverage of abortion or abortion-related services.

SEC. 834. The Congress of the United States recognizes the United States Anti-Doping Agency (USADA) as the official anti-doping agency for Olympic, Pan American, and Paralympic sport in the United States.

SEC. 835. Notwithstanding any other provision of law, funds appropriated for official travel by Federal departments and agencies may be used by such departments and agencies, if consistent with Office of Management and Budget Circular A–126 regarding official travel for Government personnel, to participate in the fractional aircraft ownership pilot program.

SEC. 836. Notwithstanding any other provision of law, none of the funds appropriated or made available under this Act or any other appropriations Act may be used to implement or enforce restrictions or limitations on the Coast Guard Congressional Fellowship Program, or to implement the proposed regulations of the Office of Personnel Management to add sections 300.311 through 300.316 to part 300 of title 5 of the Code of Federal Regulations, published in the Federal Register, volume 68, number 174, on September 9, 2003 (relating to the detail of executive branch employees to the legislative branch).

SEC. 837. (a) Not later than 180 days after the end of the fiscal year, the head of each Federal agency shall submit a report to Congress on the amount of the acquisitions made by the agency from entities that manufacture the articles, materials, or supplies outside of the United States in that fiscal year.

(b) The report required by subsection (a) shall separately indicate—

(1) the dollar value of any articles, materials, or supplies purchased that were manufactured outside of the United States;

(2) an itemized list of all waivers granted with respect to such articles, materials, or supplies under the Buy American Act (41 U.S.C. 10a et seq.); and

(3) a summary of the total procurement funds spent on goods manufactured in the United States versus funds spent on goods manufactured outside of the United States.

(c) The head of each Federal agency submitting a report under subsection (a) shall make the report publicly available to the maximum extent practicable.

(d) This section shall not apply to acquisitions made by an agency, or component thereof, that is an element of the intelligence community as set forth in or designated under section 3(4) of the National Security Act of 1947 (50 U.S.C. 401a(4)).

SEC. 838. Notwithstanding any other provision of law, no executive branch agency shall purchase, construct, and/or lease any additional facilities, except within or contiguous to existing locations, to be used for the purpose of conducting Federal law enforcement training without the advance approval of the Committees on Appropriations, except that the Federal Law Enforcement Training Center is authorized to obtain the temporary use of additional facilities by lease, contract, or other agreement for training which cannot be accommodated in existing Center facilities.

SEC. 839. Notwithstanding section 1346 of title 31, United States Code, and section 809 of this Act and any other provision of law, the head of each appropriate executive department and agency shall transfer to or reimburse the Federal Aviation Administration, upon the direction of the Director of the Office of Management and Budget, funds made available by this or any other Act for the purposes described below, and shall submit budget requests for such purposes. These funds shall be administered by the Federal Aviation Administration, in consultation with the appropriate interagency groups designated by the Director and shall be used to ensure the uninterrupted, continuous operation of the Midway Atoll Airfield by the Federal Aviation Administration pursuant to an operational agreement with the Department of the Interior for the entirety of fiscal year 2006 and any period thereafter that precedes the enactment of the Transportation, Treasury, the Judiciary, Housing and Urban Development, and Related Agencies Appropriations Act, 2007. The Director of the Office of Management and Budget shall mandate the necessary transfers after determining an equitable allocation between the appropriate executive departments and agencies of the responsibility for funding the continuous operation of the Midway Atoll Airfield based on, but not limited to, potential use, interest in maintaining aviation safety, and applicability to governmental operations and agency mission. The total funds transferred or reimbursed shall not exceed $6,000,000 for any twelve-month period. Such sums shall be sufficient to ensure continued operation of the airfield throughout the period cited above. Funds shall be available for operation of the airfield or airfield-related capital upgrades. The Director of the Office of Management and Budget shall notify the Committees on Appropriations of such transfers or reimbursements within 15 days of this Act. Such transfers or reimbursements shall begin within 30 days of enactment of this Act.

SEC. 840. Section 4(b) of the Federal Activities Inventory Reform Act of 1998 (Public Law 105–270) is amended by adding at the end the following new paragraph:

''(5) Executive agencies with fewer than 100 full-time employees as of the first day of the fiscal year. However, such an agency shall be subject to section 2 to the extent it plans to conduct a public-private competition for the performance of an activity that is not inherently governmental.''.

SEC. 841. (a) No funds shall be available for transfers or reimbursements to the E-Government Initiatives sponsored by the Office of Management and Budget (OMB) prior to 15 days following submission of a report to the Committees on Appropriations by the Director of the Office

of Management and Budget and receipt of approval to transfer funds by the House and Senate Committees on Appropriations.

(b) The report in (a) shall detail—

(1) the amount proposed for transfer for any department and agency by program office, bureau, or activity, as appropriate;

(2) the specific use of funds;

(3) the relevance of that use to that department or agency and each bureau or office within, which is contributing funds; and

(4) a description on any such activities for which funds were appropriated that will not be implemented or partially implemented by the department or agency as a result of the transfer.

SEC. 842. (a) REQUIREMENT FOR PUBLIC-PRIVATE COMPETITION.—

(1) Notwithstanding any other provision of law, none of the funds appropriated by this or any other Act shall be available to convert to contractor performance an activity or function of an executive agency, that on or after the date of enactment of this Act, is performed by more than 10 Federal employees unless—

(A) the conversion is based on the result of a public-private competition that includes a most efficient and cost effective organization plan developed by such activity or function; and

(B) the Competitive Sourcing Official determines that, over all performance periods stated in the solicitation of offers for performance of the activity or function, the cost of performance of the activity or function by a contractor would be less costly to the executive agency by an amount that equals or exceeds the lesser of—

(i) 10 percent of the most efficient organization's personnel-related costs for performance of that activity or function by Federal employees; or

(ii) $10,000,000.

(2) This paragraph shall not apply to—

(A) the Department of Defense;

(B) section 4492D of title 49, United States Code;

(C) a commercial or industrial type function that—

(i) is included on the procurement list established pursuant to section 2 of the Javits-Wagner-O'Day Act (41 U.S.C. 47); or

(ii) is planned to be converted to performance by a qualified nonprofit agency for the blind or by a qualified nonprofit agency for other severely handicapped individuals in accordance with that Act;

(D) depot contracts or contracts for depot maintenance as provided in sections 2469 and 2474 of title 10, United States Code; or

(E) activities that are the subject of an ongoing competition that was publicly announced prior to the date of enactment of this Act.

(b) USE OF PUBLIC-PRIVATE COMPETITION.—Nothing in Office of Management and Budget Circular A–76 shall prevent the head of an executive agency from conducting a public-private competition to evaluate the benefits of converting work from contract performance to performance by Federal employees in appropriate instances. The Circular shall provide procedures and policies for these competitions that are similar to those applied to competitions that may result in the conversion of work from performance by Federal employees to performance by a contractor.

SEC. 843. (a) The adjustment in rates of basic pay for employees under the statutory pay systems that takes effect in fiscal year 2006 under sections 5303 and 5304 of title 5, United States Code, shall be an increase of 3.1 percent, and this adjustment shall apply to civilian employees in the Department of Defense and the Department of Homeland Security and such adjustments shall be effective as of the first day of the first applicable pay period beginning on or after January 1, 2006.

(b) Notwithstanding section 813 of this Act, the adjustment in rates of basic pay for the statutory pay systems that take place in fiscal year 2006 under sections 5344 and 5348 of title 5, United States Code, shall be no less than the percentage in paragraph (a) as employees in the same location whose rates of basic pay are adjusted pursuant to the statutory pay systems under section 5303 and 5304 of title 5, United States Code. Prevailing rate employees at locations where there are no employees whose pay is increased pursuant to sections 5303 and 5304 of title 5 and prevailing rate employees described in section 5343(a)(5) of title 5 shall be considered to be located in the pay locality designated as ''Rest of US'' pursuant to section 5304 of title 5 for purposes of this paragraph.

(c) Funds used to carry out this section shall be paid from appropriations, which are made to each applicable department or agency for salaries and expenses for fiscal year 2006.

SEC. 844. Unless otherwise authorized by existing law, none of the funds provided in this Act or any other Act may be used by an executive branch agency to produce any prepackaged news story intended for broadcast or distribution in the United States, unless the story includes a clear notification within the text or audio of the prepackaged news story that the prepackaged news story was prepared or funded by that executive branch agency.

SEC. 845. None of the funds made available in this Act may be used in contravention of section 552a of title 5, United States Code (popularly known as the Privacy Act) or of section 552.224 of title 48 of the Code of Federal Regulations.

SEC. 846. Each Executive department and agency shall evaluate the creditworthiness of an individual before issuing the individual a government travel charge card. The department or agency may not issue a government travel charge card to an individual that either lacks a credit history or is found to have an unsatisfactory credit history as a result of this evaluation: Provided, That this restriction shall not preclude issuance of a restricted-use charge, debit, or stored value card made in accordance with agency procedures to: (1) an individual with an unsatisfactory credit history where such card is used to pay travel expenses and the agency determines there is no suitable alternative payment mechanism available before issuing the card; or (2) an individual who lacks a credit history. Each Executive department and agency shall establish guidelines and procedures for disciplinary actions to be taken against agency personnel for improper, fraudulent, or abusive use of government charge cards, which shall include appropriate disciplinary actions for use of charge cards for purposes, and at establishments, that are inconsistent with the official business of the Department or agency or with applicable standards of conduct.

SEC. 847. Except as expressly provided otherwise, any reference to ''this Act'' contained in this division shall be treated as referring only to the provisions of this division.

This division may be cited as the ''Transportation, Treasury, Housing and Urban Development, the Judiciary, and Independent Agencies Appropriations Act, 2006''.

DIVISION B—DISTRICT OF COLUMBIA APPROPRIATIONS ACT, 2006

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the District of Columbia and related agencies for the fiscal year ending September 30, 2006, and for other purposes, namely:

DISTRICT OF COLUMBIA

FEDERAL FUNDS

FEDERAL PAYMENT FOR RESIDENT TUITION SUPPORT

For a Federal payment to the District of Columbia, to be deposited into a dedicated account, for a nationwide program to be administered by the Mayor, for District of Columbia resident tuition support, $33,200,000, to remain available until expended: Provided, That such funds, including any interest accrued thereon, may be used on behalf of eligible District of Columbia residents to pay an amount based upon the difference between in-State and out-of-State tuition at public institutions of higher education, or to pay up to $2,500 each year at eligible private institutions of higher education: Provided further, That the awarding of such funds may be prioritized on the basis of a resident's academic merit, the income and need of eligible students and such other factors as may be authorized: Provided further, That the District of Columbia government shall maintain a dedicated account for the Resident Tuition Support Program that shall consist of the Federal funds appropriated to the Program in this Act and any subsequent appropriations, any unobligated balances from prior fiscal years, and any interest earned in this or any fiscal year: Provided further, That the account shall be under the control of the District of Columbia Chief Financial Officer, who shall use those funds solely for the purposes of carrying out the Resident Tuition Support Program: Provided further, That the Office of the Chief Financial Officer shall provide a quarterly financial report to the Committees on Appropriations of the House of Representatives and Senate for these funds showing, by object class, the expenditures made and the purpose therefor: Provided further, That not more than $1,200,000 of the total amount appropriated for this program may be used for administrative expenses.

FEDERAL PAYMENT FOR EMERGENCY PLANNING AND SECURITY COSTS IN THE DISTRICT OF COLUMBIA

For necessary expenses, as determined by the Mayor of the District of Columbia in written consultation with the elected county or city officials of surrounding jurisdictions, $13,500,000, to remain available until expended, to reimburse the District of Columbia for the costs of providing public safety at events related to the presence of the national capital in the District of Columbia and for the costs of providing support to respond to immediate and specific terrorist threats or attacks in the District of Columbia or surrounding jurisdictions: Provided, That any amount provided under this heading shall be available only after such amount has been apportioned pursuant to chapter 15 of title 31, United States Code.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS

For salaries and expenses for the District of Columbia Courts, $218,912,000, to be allocated as follows: for the District of Columbia Court of Appeals, $9,198,000, of which not to exceed $1,500 is for official reception and representation expenses; for the District of Columbia Superior Court, $87,342,000, of which not to exceed $1,500 is for official reception and representation expenses; for the District of Columbia Court System, $41,643,000, of which not to exceed $1,500 is for official reception and representation expenses; and $80,729,000, to remain available until September 30, 2007, for capital improvements for District of Columbia courthouse facilities: Provided, That notwithstanding any other provision of law, a single contract or related contracts for development and construction of facilities may be employed which collectively include the full scope of the project: Provided further, That the solicitation and contract shall contain the clause ''availability of Funds'' found at 48 CFR 52.232–18: Provided further, That funds made available for capital improvements shall be expended consistent with the General Services Administration master plan study and building evaluation report: Provided further, That notwithstanding any other provision of law, all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies, with payroll and financial services to be provided on a contractual basis with the General Services Administration (GSA), and

such services shall include the preparation of monthly financial reports, copies of which shall be submitted directly by GSA to the President and to the Committees on Appropriations of the House of Representatives and Senate, the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate: Provided further, That 30 days after providing written notice to the Committees on Appropriations of the House of Representatives and Senate, the District of Columbia Courts may reallocate not more than $1,000,000 of the funds provided under this heading among the items and entities funded under this heading for operations, and not more than 4 percent of the funds provided under this heading for facilities.

DEFENDER SERVICES IN DISTRICT OF COLUMBIA COURTS

For payments authorized under section 11–2604 and section 11–2605, D.C. Official Code (relating to representation provided under the District of Columbia Criminal Justice Act), payments for counsel appointed in proceedings in the Family Court of the Superior Court of the District of Columbia under chapter 23 of title 16, D.C. Official Code, or pursuant to contractual agreements to provide guardian ad litem representation, training, technical assistance and such other services as are necessary to improve the quality of guardian ad litem representation, payments for counsel appointed in adoption proceedings under chapter 3 of title 16, D.C. Code, and payments for counsel authorized under section 21–2060, D.C. Official Code (relating to representation provided under the District of Columbia Guardianship, Protective Proceedings, and Durable Power of Attorney Act of 1986), $44,000,000, to remain available until expended: Provided, That the funds provided in this Act under the heading ''Federal Payment to the District of Columbia Courts'' (other than the $80,729,000 provided under such heading for capital improvements for District of Columbia courthouse facilities) may also be used for payments under this heading: Provided further, That in addition to the funds provided under this heading, the Joint Committee on Judicial Administration in the District of Columbia may use funds provided in this Act under the heading ''Federal Payment to the District of Columbia Courts'' (other than the $80,729,000 provided under such heading for capital improvements for District of Columbia courthouse facilities), to make payments described under this heading for obligations incurred during any fiscal year: Provided further, That funds provided under this heading shall be administered by the Joint Committee on Judicial Administration in the District of Columbia: Provided further, That notwithstanding any other provision of law, this appropriation shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for expenses of other Federal agencies, with payroll and financial services to be provided on a contractual basis with the General Services Administration (GSA), and such services shall include the preparation of monthly financial reports, copies of which shall be submitted directly by GSA to the President and to the Committees on Appropriations of the House of Representatives and Senate, the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate.

FEDERAL PAYMENT TO THE COURT SERVICES AND OFFENDER SUPERVISION AGENCY FOR THE DISTRICT OF COLUMBIA

(INCLUDING TRANSFER OF FUNDS)

For salaries and expenses, including the transfer and hire of motor vehicles, of the Court Services and Offender Supervision Agency for the District of Columbia and the Public Defender Service for the District of Columbia, as authorized by the National Capital Revitalization and Self-Government Improvement Act of 1997, $201,388,000, of which not to exceed $2,000 is for official receptions and representation expenses related to Community Supervision and Pretrial Services Agency programs; of which not to exceed $25,000 is for dues and assessments relating to the implementation of the Court Services and Offender Supervision Agency Interstate Supervision Act of 2002; of which $129,360,000 shall be for necessary expenses of Community Supervision and Sex Offender Registration, to include expenses relating to the supervision of adults subject to protection orders or the provision of services for or related to such persons; of which $42,195,000 shall be available to the Pretrial Services Agency; and of which $29,833,000 shall be transferred to the Public Defender Service for the District of Columbia: Provided, That notwithstanding any other provision of law, all amounts under this heading shall be apportioned quarterly by the Office of Management and Budget and obligated and expended in the same manner as funds appropriated for salaries and expenses of other Federal agencies: Provided further, That the Director is authorized to accept and use gifts in the form of in-kind contributions of space and hospitality to support offender and defendant programs, and equipment and vocational training services to educate and train offenders and defendants: Provided further, That the Director shall keep accurate and detailed records of the acceptance and use of any gift or donation under the previous proviso, and shall make such records available for audit and public inspection: Provided further, That the Court Services and Offender Supervision Agency Director is authorized to accept and use reimbursement from the D.C. Government for space and services provided on a cost reimbursable basis: Provided further, That for this fiscal year and subsequent fiscal years, the Public Defender Service is authorized to charge fees to cover costs of materials distributed and training provided to attendees of educational events, including conferences, sponsored by the Public Defender Service, and notwithstanding section 3302 of title 31, United States Code, said fees shall be credited to the Public Defender Service account to be available for use without further appropriation.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

For a Federal payment to the District of Columbia Water and Sewer Authority, $7,000,000, to remain available until expended, to continue implementation of the Combined Sewer Overflow Long-Term Plan: Provided, That the District of Columbia Water and Sewer Authority provides a 100 percent match for this payment.

FEDERAL PAYMENT FOR THE ANACOSTIA WATERFRONT INITIATIVE

For a Federal payment to the District of Columbia Department of Transportation, $3,000,000, to remain available until September 30, 2007, for design and construction of a continuous pedestrian and bicycle trail system from the Potomac River to the District's border with Maryland.

FEDERAL PAYMENT TO THE CRIMINAL JUSTICE COORDINATING COUNCIL

For a Federal payment to the Criminal Justice Coordinating Council, $1,300,000, to remain available until expended, to support initiatives related to the coordination of Federal and local criminal justice resources in the District of Columbia.

FEDERAL PAYMENT FOR TRANSPORTATION ASSISTANCE

For a Federal payment to the District of Columbia Department of Transportation, $1,000,000, to operate a downtown circulator transit system.

FEDERAL PAYMENT FOR FOSTER CARE IMPROVEMENTS IN THE DISTRICT OF COLUMBIA

For the Federal payment to the District of Columbia for foster care improvements, $2,000,000 to remain available until expended: Provided, That $1,750,000 shall be for the Child and Family Services Agency, of which $1,000,000 shall be for a loan repayment program for social workers; of which $750,000 shall be for post-adoption services: Provided further, That $250,000 shall be for the Washington Metropolitan Council of Governments, to continue a program in conjunction with the Foster and Adoptive Parents Advocacy Center, to provide respite care for and recruitment of foster parents: Provided further, That these Federal funds shall supplement and not supplant local funds for the purposes described under this heading.

FEDERAL PAYMENT TO THE OFFICE OF THE CHIEF FINANCIAL OFFICER OF THE DISTRICT OF COLUMBIA

For a Federal payment to the Office of the Chief Financial Officer of the District of Columbia, $29,200,000: Provided, That these funds shall be available for the projects and in the amounts specified in the Statement of the Managers on the conference report accompanying this Act: Provided further, That each entity that receives funding under this heading shall submit to the Office of the Chief Financial Officer of the District of Columbia (CFO) a report on the activities to be carried out with such funds no later than March 15, 2006, and the CFO shall submit a comprehensive report to the Committees on Appropriations of the House of Representatives and the Senate no later than June 1, 2006.

FEDERAL PAYMENT FOR SCHOOL IMPROVEMENT

For a Federal payment for a school improvement program in the District of Columbia, $40,000,000, to be allocated as follows: for the District of Columbia Public Schools, $13,000,000 to improve public school education in the District of Columbia; for the State Education Office, $13,000,000 to expand quality public charter schools in the District of Columbia, to remain available until September 30, 2007; for the Secretary of the Department of Education, $14,000,000 to provide opportunity scholarships for students in the District of Columbia in accordance with division C, title III of the District of Columbia Appropriations Act, 2004 (Public Law 108–199; 118 Stat. 126), of which up to $1,000,000 may be used to administer and fund assessments.

FEDERAL PAYMENT FOR BIOTERRORISM AND FORENSICS LABORATORY

For a Federal payment to the District of Columbia, $5,000,000, to remain available until September 30, 2007, for costs associated with the construction of a bioterrorism and forensics laboratory: Provided, That the District of Columbia shall provide an additional $1,500,000 with local funds as a condition of receiving this payment.

FEDERAL PAYMENT FOR THE NATIONAL GUARD YOUTH CHALLENGE PROGRAM

For a Federal payment for the District of Columbia National Guard Youth Challenge program, $500,000: Provided, That the amount appropriated by this heading shall be transferred to the Secretary of Defense and made available to the Commanding General of the District of Columbia National Guard for activities under the National Guard Youth Challenge Program under section 509 of title 32, United States Code, and shall be in addition to any matching funds otherwise required of the District of Columbia for that Program in fiscal year 2006 under subsection (d)(4) of such section.

FEDERAL PAYMENT FOR MARRIAGE DEVELOPMENT AND IMPROVEMENT

For a Federal payment for marriage development and improvement in the District of Columbia, $3,000,000, to remain available until expended: Provided, That $1,500,000 shall be for the Capital Area Asset Building Corporation for the establishment of marriage development accounts in accordance with the requirements in the accompanying report, of which $400,000 shall be for program planning, marketing, evaluation, and account administration: Provided

further, That $1,500,000 shall be for mentoring, counseling, community outreach, and training and technical assistance, of which $850,000 shall be for the National Center for Fathering and $650,000 shall be for the East Capitol Center for Change to carry out these activities: Provided further, That within 30 days of enactment of this Act, the entities receiving funds under this title shall submit to the Committees on Appropriations of the House and Senate, a detailed expenditure plan and program requirements that comport with the guidance in the accompanying report.

DISTRICT OF COLUMBIA FUNDS

The following amounts are appropriated for the District of Columbia for the current fiscal year out of the general fund of the District of Columbia, except as otherwise specifically provided: Provided, That notwithstanding any other provision of law, except as provided in section 450A of the District of Columbia Home Rule Act (D.C. Official Code, section 1–204.50a) and provisions of this Act, the total amount appropriated in this Act for operating expenses for the District of Columbia for fiscal year 2006 under this heading shall not exceed the lesser of the sum of the total revenues of the District of Columbia for such fiscal year or $8,700,158,000 (of which $5,007,344,000 shall be from local funds, $1,921,287,000 shall be from Federal grant funds, $1,754,399,000 shall be from other funds, and $17,129,000 shall be from private funds), in addition, $163,116,000 from funds previously appropriated in this Act as Federal payments: Provided further, That of the local funds, $466,894,000 shall be derived from the District's general fund balance: Provided further, That of these funds the District's intradistrict authority shall be $468,486,000: in addition for capital construction projects there is appropriated an increase of $2,820,637,000, of which $1,072,671,000 shall be from local funds, $49,551,000 from Highway Trust funds, $172,183,000 from the Local Street Maintenance fund, $378,000,000 from securitization of future revenue streams, $400,000,000 from Certificates of Participation financing, $534,800,000 from financing for construction of a baseball stadium, $213,432,000 from Federal grant funds, and a rescission of $295,032,000 from local funds appropriated under this heading in prior fiscal years, for a net amount of $2,525,605,000, to remain available until expended: Provided further, That the amounts provided under this heading are to be allocated and expended as proposed under ''Title II—District of Columbia Funds'' of the Fiscal Year 2006 Proposed Budget and Financial Plan submitted to the Congress of the United States by the District of Columbia on June 6, 2005: Provided further, That this amount may be increased by proceeds of one-time transactions, which are expended for emergency or unanticipated operating or capital needs: Provided further, That such increases shall be approved by enactment of local District law and shall comply with all reserve requirements contained in the District of Columbia Home Rule Act as amended by this Act: Provided further, That the Chief Financial Officer of the District of Columbia shall take such steps as are necessary to assure that the District of Columbia meets these requirements, including the apportioning by the Chief Financial Officer of the appropriations and funds made available to the District during fiscal year 2006, except that the Chief Financial Officer may not reprogram for operating expenses any funds derived from bonds, notes, or other obligations issued for capital projects.

GENERAL PROVISIONS

SEC. 101. Whenever in this Act, an amount is specified within an appropriation for particular purposes or objects of expenditure, such amount, unless otherwise specified, shall be considered as the maximum amount that may be expended for said purpose or object rather than an amount set apart exclusively therefor.

SEC. 102. Appropriations in this Act shall be available for expenses of travel and for the payment of dues of organizations concerned with the work of the District of Columbia government, when authorized by the Mayor, or, in the case of the Council of the District of Columbia, funds may be expended with the authorization of the Chairman of the Council.

SEC. 103. There are appropriated from the applicable funds of the District of Columbia such sums as may be necessary for making refunds and for the payment of legal settlements or judgments that have been entered against the District of Columbia government.

SEC. 104. (a) Except as provided in subsection (b), no part of this appropriation shall be used for publicity or propaganda purposes or implementation of any policy including boycott designed to support or defeat legislation pending before Congress or any State legislature.

(b) The District of Columbia may use local funds provided in this title to carry out lobbying activities on any matter other than—

(1) the promotion or support of any boycott; or

(2) statehood for the District of Columbia or voting representation in Congress for the District of Columbia.

(c) Nothing in this section may be construed to prohibit any elected official from advocating with respect to any of the issues referred to in subsection (b).

SEC. 105. (a) None of the funds provided under this title to the agencies funded by this title, both Federal and District government agencies, that remain available for obligation or expenditure in fiscal year 2006, or provided from any accounts in the Treasury of the United States derived by the collection of fees available to the agencies funded by this title, shall be available for obligation or expenditures for an agency through a reprogramming of funds which—

(1) creates new programs;

(2) eliminates a program, project, or responsibility center;

(3) establishes or changes allocations specifically denied, limited or increased under this Act;

(4) increases funds or personnel by any means for any program, project, or responsibility center for which funds have been denied or restricted;

(5) reestablishes any program or project previously deferred through reprogramming;

(6) augments any existing program, project, or responsibility center through a reprogramming of funds in excess of $3,000,000 or 10 percent, whichever is less; or

(7) increases by 20 percent or more personnel assigned to a specific program, project or responsibility center,

unless the Committees on Appropriations of the House of Representatives and Senate are notified in writing 15 days in advance of the reprogramming.

(b) None the local funds contained in this Act may be available for obligation or expenditure for an agency through a transfer of any local funds in excess of $3,000,000 from one appropriation heading to another unless the Committees on Appropriations of the House of Representatives and Senate are notified in writing 15 days in advance of the transfer, except that in no event may the amount of any funds transferred exceed 4 percent of the local funds in the appropriations.

SEC. 106. Consistent with the provisions of section 1301(a) of title 31, United States Code, appropriations under this Act shall be applied only to the objects for which the appropriations were made except as otherwise provided by law.

SEC. 107. Notwithstanding any other provisions of law, the provisions of the District of Columbia Government Comprehensive Merit Personnel Act of 1978 (D.C. Law 2–139; D.C. Official Code, section 1–601.01 et seq.), enacted pursuant to section 422(3) of the District of Columbia Home Rule Act (D.C. Official Code, section 1–204l.22(3)), shall apply with respect to the compensation of District of Columbia employees. For pay purposes, employees of the District of Columbia government shall not be subject to the provisions of title 5, United States Code.

SEC. 108. No later than 30 days after the end of the first quarter of fiscal year 2006, the Mayor of the District of Columbia shall submit to the Council of the District of Columbia and the Committees on Appropriations of the House of Representatives and Senate the new fiscal year 2006 revenue estimates as of the end of such quarter. These estimates shall be used in the budget request for fiscal year 2007. The officially revised estimates at midyear shall be used for the midyear report.

SEC. 109. No sole source contract with the District of Columbia government or any agency thereof may be renewed or extended without opening that contract to the competitive bidding process as set forth in section 303 of the District of Columbia Procurement Practices Act of 1985 (D.C. Law 6–85; D.C. Official Code, section 2–303.03), except that the District of Columbia government or any agency thereof may renew or extend sole source contracts for which competition is not feasible or practical, but only if the determination as to whether to invoke the competitive bidding process has been made in accordance with duly promulgated rules and procedures and has been reviewed and certified by the Chief Financial Officer of the District of Columbia.

SEC. 110. None of the Federal funds provided in this Act may be used by the District of Columbia to provide for salaries, expenses, or other costs associated with the offices of United States Senator or United States Representative under section 4(d) of the District of Columbia Statehood Constitutional Convention Initiatives of 1979 (D.C. Law 3–171; D.C. Official Code, section 1–123).

SEC. 111. None of the Federal funds made available in this Act may be used to implement or enforce the Health Care Benefits Expansion Act of 1992 (D.C. Law 9–114; D.C. Official Code, section 32–701 et seq.) or to otherwise implement or enforce any system of registration of unmarried, cohabiting couples, including but not limited to registration for the purpose of extending employment, health, or governmental benefits to such couples on the same basis that such benefits are extended to legally married couples.

SEC. 112. (a) Notwithstanding any other provision of this Act, the Mayor, in consultation with the Chief Financial Officer of the District of Columbia may accept, obligate, and expend Federal, private, and other grants received by the District government that are not reflected in the amounts appropriated in this Act.

(b)(1) No such Federal, private, or other grant may be obligated, or expended pursuant to subsection (a) until—

(A) the Chief Financial Officer of the District of Columbia submits to the Council a report setting forth detailed information regarding such grant; and

(B) the Council has reviewed and approved the obligation, and expenditure of such grant.

(2) For purposes of paragraph (1)(B), the Council shall be deemed to have reviewed and approved the obligation, and expenditure of a grant if—

(A) no written notice of disapproval is filed with the Secretary of the Council within 14 calendar days of the receipt of the report from the Chief Financial Officer under paragraph (1)(A); or

(B) if such a notice of disapproval is filed within such deadline, the Council does not by resolution disapprove the obligation, or expenditure of the grant within 30 calendar days of the initial receipt of the report from the Chief Financial Officer under paragraph (1)(A).

(c) No amount may be obligated or expended from the general fund or other funds of the District of Columbia government in anticipation of the approval or receipt of a grant under subsection (b)(2) or in anticipation of the approval

or receipt of a Federal, private, or other grant not subject to such subsection.

(d) The Chief Financial Officer of the District of Columbia may adjust the budget for Federal, private, and other grants received by the District government reflected in the amounts appropriated in this title, or approved and received under subsection (b)(2) to reflect a change in the actual amount of the grant.

(e) The Chief Financial Officer of the District of Columbia shall prepare a quarterly report setting forth detailed information regarding all Federal, private, and other grants subject to this section. Each such report shall be submitted to the Council of the District of Columbia and to the Committees on Appropriations of the House of Representatives and Senate not later than 15 days after the end of the quarter covered by the report.

SEC. 113. (a) Except as otherwise provided in this section, none of the funds made available by this Act or by any other Act may be used to provide any officer or employee of the District of Columbia with an official vehicle unless the officer or employee uses the vehicle only in the performance of the officer's or employee's official duties. For purposes of this paragraph, the term ''official duties'' does not include travel between the officer's or employee's residence and workplace, except in the case of—

(1) an officer or employee of the Metropolitan Police Department who resides in the District of Columbia or is otherwise designated by the Chief of the Department;

(2) at the discretion of the Fire Chief, an officer or employee of the District of Columbia Fire and Emergency Medical Services Department who resides in the District of Columbia and is on call 24 hours a day or is otherwise designated by the Fire Chief;

(3) the Mayor of the District of Columbia; and

(4) the Chairman of the Council of the District of Columbia.

(b) The Chief Financial Officer of the District of Columbia shall submit by March 1, 2006, an inventory, as of September 30, 2005, of all vehicles owned, leased or operated by the District of Columbia government. The inventory shall include, but not be limited to, the department to which the vehicle is assigned; the year and make of the vehicle; the acquisition date and cost; the general condition of the vehicle; annual operating and maintenance costs; current mileage; and whether the vehicle is allowed to be taken home by a District officer or employee and if so, the officer or employee's title and resident location.

SEC. 114. None of the funds contained in this Act may be used for purposes of the annual independent audit of the District of Columbia government for fiscal year 2006 unless—

(1) the audit is conducted by the Inspector General of the District of Columbia, in coordination with the Chief Financial Officer of the District of Columbia, pursuant to section 208(a)(4) of the District of Columbia Procurement Practices Act of 1985 (D.C. Official Code, section 2–302.8); and

(2) the audit includes as a basic financial statement a comparison of audited actual year-end results with the revenues submitted in the budget document for such year and the appropriations enacted into law for such year using the format, terminology, and classifications contained in the law making the appropriations for the year and its legislative history.

SEC. 115. (a) None of the funds contained in this Act may be used by the District of Columbia Corporation Counsel or any other officer or entity of the District government to provide assistance for any petition drive or civil action which seeks to require Congress to provide for voting representation in Congress for the District of Columbia.

(b) Nothing in this section bars the District of Columbia Corporation Counsel from reviewing or commenting on briefs in private lawsuits, or from consulting with officials of the District government regarding such lawsuits.

SEC. 116. (a) None of the funds contained in this Act may be used for any program of distributing sterile needles or syringes for the hypodermic injection of any illegal drug.

(b) Any individual or entity who receives any funds contained in this Act and who carries out any program described in subsection (a) shall account for all funds used for such program separately from any funds contained in this Act.

SEC. 117. None of the funds contained in this Act may be used after the expiration of the 60-day period that begins on the date of the enactment of this Act to pay the salary of any chief financial officer of any office of the District of Columbia government (including any independent agency of the District of Columbia) who has not filed a certification with the Mayor and the Chief Financial Officer of the District of Columbia that the officer understands the duties and restrictions applicable to the officer and the officer's agency as a result of this Act (and the amendments made by this Act), including any duty to prepare a report requested either in the Act or in any of the reports accompanying the Act and the deadline by which each report must be submitted: Provided, That the Chief Financial Officer of the District of Columbia shall provide to the Committees on Appropriations of the House of Representatives and Senate by April 1, 2006 and October 1, 2006, a summary list showing each report, the due date, and the date submitted to the Committees.

SEC. 118. Nothing in this Act may be construed to prevent the Council or Mayor of the District of Columbia from addressing the issue of the provision of contraceptive coverage by health insurance plans, but it is the intent of Congress that any legislation enacted on such issue should include a ''conscience clause'' which provides exceptions for religious beliefs and moral convictions.

SEC. 119. The Mayor of the District of Columbia shall submit to the Committees on Appropriations of the House of Representatives and Senate, the Committee on Government Reform of the House of Representatives, and the Committee on Governmental Affairs of the Senate quarterly reports addressing—

(1) crime, including the homicide rate, implementation of community policing, the number of police officers on local beats, and the closing down of open-air drug markets;

(2) access to substance and alcohol abuse treatment, including the number of treatment slots, the number of people served, the number of people on waiting lists, and the effectiveness of treatment programs;

(3) management of parolees and pre-trial violent offenders, including the number of halfway houses escapes and steps taken to improve monitoring and supervision of halfway house residents to reduce the number of escapes to be provided in consultation with the Court Services and Offender Supervision Agency for the District of Columbia;

(4) education, including access to special education services and student achievement to be provided in consultation with the District of Columbia Public Schools and the District of Columbia public charter schools;

(5) improvement in basic District services, including rat control and abatement;

(6) application for and management of Federal grants, including the number and type of grants for which the District was eligible but failed to apply and the number and type of grants awarded to the District but for which the District failed to spend the amounts received; and

(7) indicators of child well-being.

SEC. 120. (a) No later than 30 calendar days after the date of the enactment of this Act, the Chief Financial Officer of the District of Columbia shall submit to the appropriate committees of Congress, the Mayor, and the Council of the District of Columbia a revised appropriated funds operating budget in the format of the budget that the District of Columbia government submitted pursuant to section 442 of the District of Columbia Home Rule Act (D.C. Official Code, section 1–204.42), for all agencies of the District of Columbia government for fiscal year 2006 that is in the total amount of the approved appropriation and that realigns all budgeted data for personal services and other-than-personal-services, respectively, with anticipated actual expenditures.

(b) This section shall apply only to an agency where the Chief Financial Officer of the District of Columbia certifies that a reallocation is required to address unanticipated changes in program requirements.

SEC. 121. Notwithstanding any other law, in fiscal year 2006 and in each subsequent fiscal year, the District of Columbia Courts shall transfer to the general treasury of the District of Columbia all fines levied and collected by the Courts under section 10(b)(1) and (2) of the District of Columbia Traffic Act (D.C. Official Code, section 50–2201.05(b)(1) and (2)): Provided, that the transferred funds are hereby made available and shall remain available until expended and shall be used by the Office of the Attorney General of the District of Columbia for enforcement and prosecution of District traffic alcohol laws in accordance with section 10(b)(3) of the District of Columbia Traffic Act (D.C. Official Code, section 50–2201.05(b)(3)).

SEC. 122. (a) None of the funds contained in this Act may be made available to pay—

(1) the fees of an attorney who represents a party in an action or an attorney who defends an action brought against the District of Columbia Public Schools under the Individuals with Disabilities Education Act (20 U.S.C. 1400 et seq.) in excess of $4,000 for that action; or

(2) the fees of an attorney or firm whom the Chief Financial Officer of the District of Columbia determines to have a pecuniary interest, either through an attorney, officer, or employee of the firm, in any special education diagnostic services, schools, or other special education service providers.

(b) In this section, the term ''action'' includes an administrative proceeding and any ensuing or related proceedings before a court of competent jurisdiction.

SEC. 123. The Chief Financial Officer of the District of Columbia shall require attorneys in special education cases brought under the Individuals with Disabilities Education Act (IDEA) in the District of Columbia to certify in writing that the attorney or representative rendered any and all services for which they receive awards, including those received under a settlement agreement or as part of an administrative proceeding, under the IDEA from the District of Columbia. As part of the certification, the Chief Financial Officer of the District of Columbia shall require all attorneys in IDEA cases to disclose any financial, corporate, legal, memberships on boards of directors, or other relationships with any special education diagnostic services, schools, or other special education service providers to which the attorneys have referred any clients as part of this certification. The Chief Financial Officer shall prepare and submit quarterly reports to the Committees on Appropriations of the House of Representatives and Senate on the certification of and the amount paid by the government of the District of Columbia, including the District of Columbia Public Schools, to attorneys in cases brought under IDEA. The Inspector General of the District of Columbia may conduct investigations to determine the accuracy of the certifications.

SEC. 124. The amount appropriated by this Act may be increased by no more than $42,000,000 from funds identified in the comprehensive annual financial report as the District's fiscal year 2005 unexpended general fund surplus. The District may obligate and expend these amounts only in accordance with the following conditions:

(1) The Chief Financial Officer of the District of Columbia shall certify that the use of any

such amounts is not anticipated to have a negative impact on the District's long-term financial, fiscal, and economic vitality.

(2) The District of Columbia may only use these funds for the following expenditures:

(A) One-time expenditures.

(B) Expenditures to avoid deficit spending.

(C) Debt Reduction.

(D) Program needs.

(E) Expenditures to avoid revenue shortfalls.

(3) The amounts shall be obligated and expended in accordance with laws enacted by the Council in support of each such obligation or expenditure.

(4) The amounts may not be used to fund the agencies of the District of Columbia government under court ordered receivership.

(5) The amounts may not be obligated or expended unless the Mayor notifies the Committees on Appropriations of the House of Representatives and Senate not fewer than 30 days in advance of the obligation or expenditure.

SEC. 125. (a) The fourth proviso in the item relating to ''Federal Payment for School Improvement'' in the District of Columbia Appropriations Act, 2005 (Public Law 108–335; 118 Stat. 1327) is amended—

(1) by striking ''$4,000,000'' and inserting ''$4,000,000, to remain available until expended,''; and

(2) by striking ''$2,000,000 shall be for a new incentive fund'' and inserting ''$2,000,000, to remain available until expended, shall be for a new incentive fund''.

(b) The amendments made by subsection (a) shall take effect as if included in the enactment of the District of Columbia Appropriations Act, 2005.

SEC. 126. (a) To account for an unanticipated growth of revenue collections, the amount appropriated as District of Columbia Funds pursuant to this Act may be increased—

(1) by an aggregate amount of not more than 25 percent, in the case of amounts proposed to be allocated as ''Other-Type Funds'' in the Fiscal Year 2006 Proposed Budget and Financial Plan submitted to Congress by the District of Columbia on June 6, 2005; and

(2) by an aggregate amount of not more than 6 percent, in the case of any other amounts proposed to be allocated in such Proposed Budget and Financial Plan.

(b) The District of Columbia may obligate and expend any increase in the amount of funds authorized under this section only in accordance with the following conditions:

(1) The Chief Financial Officer of the District of Columbia shall certify—

(A) the increase in revenue; and

(B) that the use of the amounts is not anticipated to have a negative impact on the long-term financial, fiscal, or economic health of the District.

(2) The amounts shall be obligated and expended in accordance with laws enacted by the Council of the District of Columbia in support of each such obligation and expenditure, consistent with the requirements of this Act.

(3) The amounts may not be used to fund any agencies of the District government operating under court-ordered receivership.

(4) The amounts may not be obligated or expended unless the Mayor has notified the Committees on Appropriations of the House of Representatives and Senate not fewer than 30 days in advance of the obligation or expenditure.

SEC. 127. The Chief Financial Officer for the District of Columbia may, for the purpose of cash flow management, conduct short-term borrowing from the emergency reserve fund and from the contingency reserve fund established under section 450A of the District of Columbia Home Rule Act (Public Law 98–198): Provided, That the amount borrowed shall not exceed 50 percent of the total amount of funds contained in both the emergency and contingency reserve funds at the time of borrowing: Provided further, That the borrowing shall not deplete either fund by more than 50 percent: Provided further, That 100 percent of the funds borrowed shall be replenished within 9 months of the time of the borrowing or by the end of the fiscal year, whichever occurs earlier: Provided further, That in the event that short-term borrowing has been conducted and the emergency or the contingency funds are later depleted below 50 percent as a result of an emergency or contingency, an amount equal to the amount necessary to restore reserve levels to 50 percent of the total amount of funds contained in both the emergency and contingency reserve fund must be replenished from the amount borrowed within 60 days.

SEC. 128. (a) None of the funds contained in this Act may be used to enact or carry out any law, rule, or regulation to legalize or otherwise reduce penalties associated with the possession, use, or distribution of any schedule I substance under the Controlled Substances Act (21 U.S.C. 802) or any tetrahydrocannabinols derivative.

(b) The Legalization of Marijuana for Medical Treatment Initiative of 1998, also known as Initiative 59, approved by the electors of the District of Columbia on November 3, 1998, shall not take effect.

SEC. 129. None of the funds appropriated under this Act shall be expended for any abortion except where the life of the mother would be endangered if the fetus were carried to term or where the pregnancy is the result of an act of rape or incest.

SEC. 130. Section 7 of the District of Columbia Stadium Act of 1957 (Public Law 85–300, 71 Stat. 619), as amended, is further amended by inserting after paragraph (d)(4) the following:

''(e)(1) Upon receipt of a written description from the District of Columbia of not more than 15 contiguous acres (hereinafter referred to as 'the 15 acres'), within the area designated 'D' on the revised map entitled 'Map to Designate Transfer of Stadium and Lease of Parking Lots to the District' and bound by 21st Street, NE, Oklahoma Avenue, NE, Benning Road, NE, the Metro line, and C Street, NE, and execution of a long-term lease by the Mayor of the District of Columbia that is contingent upon the Secretary's conveyance of the 15 acres and for the purpose consistent with this paragraph, the Secretary shall convey the 15 acres described land to the District of Columbia for the purpose of siting, developing, and operating an educational institution for the public welfare, with first preference given to a pre-collegiate public boarding school.

''(2) Upon conveyance, the portion of the stadium lease that affects the 15 acres on the property and all the conditions associated therewith shall terminate, and the 15 acres property shall be removed from the 'Map to Designate Transfer of Stadium and Lease of Parking Lots to the District', and the long-term lease described in paragraph (1) shall take effect immediately. The Mayor of the District of Columbia shall execute and deliver a quitclaim deed to effectuate the District's responsibilities under this section.''.

SEC. 131. The authority that the Chief Financial Officer of the District of Columbia exercised with respect to personnel and the preparation of fiscal impact statements during a control period (as defined in Public Law 104–8) shall remain in effect until September 30, 2006.

SEC. 132. The entire process used by the Chief Financial Officer to acquire any and all kinds of goods, works and services by any contractual means, including but not limited to purchase, lease or rental, shall be exempt from all of the provisions of the District of Columbia's Procurement Practices Act: Provided, That provisions made by this subsection shall take effect as if enacted in D.C. Law 11–259 and shall remain in effect until September 30, 2006.

SEC. 133. Section 4013 of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Amendment Act of 2005, passed on first reading on May 10, 2005 (engrossed version of Bill 16–200), is hereby enacted into law.

SEC. 134. The Chief Financial Officer of the District is hereby authorized to transfer $5,000,000 from the local funds appropriated for the Deputy Mayor for Economic Development to the Anacostia Waterfront Corporation and to reallocate the appropriation authority for such funds to a heading to be entitled ''Anacostia Waterfront Corporation'' in addition, an amount of $3,200,000 is hereby appropriated from the local funds made available to the Anacostia Waterfront Corporation in fiscal year 2005. Provided, That all of the funds made available herein to the Anacostia Waterfront Corporation shall remain available until expended.

SEC. 135. Amounts appropriated in the Act for the Department of Health may be increased by $250,000 in local funds to remain available until expended to conduct a health study in Spring Valley.

SEC. 136. Notwithstanding section 602(c)(1) of the District of Columbia Home Rule Act, amendments to the Ballpark Technical Amendments Act of 2005 and the Ballpark Fee Rebate Act of 2005 shall take effect on the date of the enactment by the District of Columbia.

SEC. 137. Except as expressly provided otherwise, any reference to ''this Act'' contained in this division shall be treated as referring only to the provisions of this division.

This division may be cited as the ''District of Columbia Appropriations Act, 2006''.

This Act (including divisions A and B) may be cited as the ''Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006''.

And the Senate agree to the same.

JOE KNOLLENBERG,
FRANK R. WOLF,
HAROLD ROGERS,
TODD TIAHRT,
ANNE M. NORTHUP,
ROBERT B. ADERHOLT,
JOHN E. SWEENEY,
JOHN ABNEY CULBERSON,
RALPH REGULA,
JERRY LEWIS,
JOHN W. OLVER,
STENY H. HOYER,
ED PASTOR,
CAROLYN C. KILPATRICK,
JAMES E. CLYBURN,
STEVEN R. ROTHMAN,
Managers on the Part of the House.

CHRISTOPHER S. BOND,
RICHARD C. SHELBY,
ARLEN SPECTER,
R.F. BENNETT,
KAY BAILEY HUTCHISON,
MIKE DEWINE,
SAM BROWNBACK,
TED STEVENS,
PETE DOMENICI,
CONRAD BURNS,
WAYNE ALLARD,
THAD COCHRAN,
PATTY MURRAY,
ROBERT C. BYRD,
BARBARA MIKULSKI,
HARRY REID,
HERB KOHL,
RICHARD J. DURBIN, *(except for Cuba trade),*
BYRON L. DORGAN, *(except for Cuba trade),*
PATRICK J. LEAHY, *(except for Cuba trade),*
TOM HARKIN, *(except for Cuba trade),*
MARY L. LANDRIEU, *(except for Cuba trade),*

DANIEL K. INOUYE,
(except for Section 173),
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3058), ''making appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and independent agencies for the fiscal year ending September 30, 2006, and for other purposes'', submits the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the conferees and recommended in the accompanying conference report.

This legislation intent in the House and Senate versions in H.R. 3058 is set forth in the accompanying House report (H. Rept. 109–153) and the accompanying Senate report (S. Rept. 109–109).

The Senate amendment deleted the entire House bill after the enacting clause and inserted the Senate bill. The conference agreement includes a revised bill.

The language and allocations set forth in the House and Senate reports should be complied with unless specifically addressed to the contrary in the conference report and the statement of the managers. Report language included by the House which is not changed by the report of the Senate or this statement of managers and Senate report language which is not changed by this statement of managers is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases where the House or the Senate has directed the submission of a report, such report is to be submitted to both House and Senate Committees on Appropriations.

TITLE I—DEPARTMENT OF TRANSPORTATION

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES

The conference agreement provides $84,900,000 for the salaries and expenses of the office of the secretary instead of $67,824,000 as proposed by the House and $86,000,000 as proposed by the Senate. As proposed by both the House and the Senate, bill language is included that specifies funding by office. The conference agreement is as follows:

Immediate office of the Secretary	$2,198,000
Immediate office of the Deputy Secretary	698,000
Office of the General Counsel	15,183,000
Office of the Under Secretary for Transportation Policy	11,650,000
Office of the Assistant Secretary for Budget and Programs	8,485,000
Office of the Assistant Secretary for Governmental Affairs	2,293,000
Office of the Assistant Secretary for Administration	22,031,000
Office of Public Affairs	1,910,000
Office of the Executive Secretariat	1,442,000
Board of Contract Appeals	697,000
Office of Small and Disadvantaged Business Utilization	1,265,000
Office of Intelligence and Security	2,033,000
Office of the Chief Information Officer	11,895,000
Office of Emergency Transportation	3,120,000

The conference agreement retains provisions proposed by both the House and the Senate limiting transfers among each office to no more than 5 percent and requiring that any transfer greater than 5 percent must be submitted for approval to the House and Senate Committees on Appropriations. Bill language is also included which allows the Department to spend up to $60,000 within the funds provided for official reception and representation expenses.

The conference agreement retains bill language proposed by the House prohibiting funds from being used for the position of Assistant Secretary for Public Affairs. The conference agreement also retains bill language proposed by both the House and the Senate that allows up to $2,500,000 in user fees to be credited to salaries and expenses.

The conferees direct the Department to notify the House and Senate Committees on Appropriations no less than three full business days before any grant totaling $1,000,000 is announced and further clarify that such notifications shall be based on the grants full-year funding level, not just the incremental amount being released.

The conferees reiterate the need for better budget materials from the Department in general and direct the Department to provide additional details in the fiscal year 2007 budget justification materials as instructed in both the House and Senate reports.

The conferees direct the Secretary to submit an operating plan for fiscal year 2006 for the entire Department as described in the House report for approval by the House and Senate Committees on Appropriations within 60 days of enactment of this Act.

Further, the Assistant Secretary for Budget and Programs shall submit a report to both the House and Senate Committees on Appropriations at the beginning of each fiscal quarter on the status of all outstanding reports and reporting requirements, including the deadlines established by Congress for each report and an estimated date for delivery, as directed by the Senate. The Assistant Secretary for Budget and Programs is also directed to submit a quarterly report detailing all funding transfers made between offices within the office of the secretary (OST) pursuant to transfer authority in OST salaries and expenses.

The conferees direct the Secretary to immediately resume collecting, processing, and disseminating the motor carrier financial and operating statistics survey (Form M data), as was in effect in the Department prior to October 1, 2004, and to provide a report within 30 days of enactment of this Act to the House and Senate Committees on Appropriations that identifies the agency responsible for the survey and the funds to be allocated to the survey in fiscal year 2006.

The conferees direct that up to $500,000 of the funds provided to the Office of the Under Secretary of Transportation for Policy be used for an independent forensic audit of expenses and payments made under the essential air service (EAS) program, as directed by the Senate. The conference agreement does not provide funds for an EAS audit to be conducted by the National Academy of Public Administration, as proposed by the Senate.

The conferees deny the funding requested by the Department for contractor support for oversight of credit programs. Further, the conferees direct the Assistant Secretary for Budget and Programs to submit a report detailing initiatives to improve the management and reduce the risk of the Department's credit programs and to provide this report to the House and Senate Committees on Appropriations not later than March 1, 2006, as proposed by the Senate.

The conferees direct the Secretary, in consultation with the Secretary of Health and Human Services and the Administrator of the Federal Aviation Administration (FAA), to establish procedures not less than 60 days after the enactment of this Act to ensure that proper precautions are taken by airports and air carriers to recognize and prevent the spread of avian flu, as directed by the Senate.

The provision relating to Love Field, Texas, that was proposed by the Senate is addressed in the Title I administrative provisions.

The conferees once again urge the Department and the FAA to make it their highest priority to consider allocating permanent slots at LaGuardia Airport, as allowable under 49 U.S.C. 41716(b), to allow the communities of Akron-Canton, Ohio, and Newport News-Williamsburg, Virginia, to each have permanent third roundtrips to LaGuardia with stage III aircraft with no less than 110 and no more than 125 seats.

OFFICE OF CIVIL RIGHTS

The conference agreement provides $8,550,000 for the office of civil rights as proposed by both the House and the Senate.

TRANSPORTATION PLANNING, RESEARCH AND DEVELOPMENT

The conference agreement provides $15,000,000 for transportation planning, research and development as proposed by the Senate and instead of $9,030,000 as proposed by the House. Adjustments to the budget request are as follows:

Ballast Water Study—UWS	$500,000
Delaware State University Hydrogen Storage Research	250,000
DOT privacy assessment	400,000
Missouri Transportation Institute, University of Missouri—Rolla	1,000,000
Innovative Materials Research at Lawrence Tech University, Southfield, MI	1,175,000
Integrated Commercial Vehicle Safety Enforcement Technology Initiative, MI	900,000
Intermodal Transportation Research, Mississippi State University	900,000
Maritime Domain Awareness Pilot Project, WA	425,000
Maritime Fire and Safety Association, WA	425,000
National Center for Manufacturing Sciences, Ann Arbor, MI	1,175,000
PVTA Hydrogen Bus or PVTA Electric Bus	750,000
Traffic Improvement Association of Oakland County, MI	250,000
Transportation Laboratory at the Detroit Science Center, Detroit, MI	400,000
TTI Pipeline Safety Research	500,000
UW Superior—STARTS	250,000
Food and Agricultural Policy Research Institute commercial shipping alternatives for inland waterways	700,000

The conference agreement does not provide funds to support the orderly discontinuation

of Amtrak's mail and express service. The conference agreement also does not hold any funds within this account in reserve to carry out directed service should Amtrak cease operations.

WORKING CAPITAL FUND

The conference agreement includes a limitation of $118,014,000 for working capital fund activities instead of $120,014,000 as proposed by both the House and the Senate.

MINORITY BUSINESS RESOURCE CENTER PROGRAM

The conference agreement provides an appropriation of $900,000 for the administrative expenses of the minority business resource center program and limits loans made under the program to $18,367,000 as proposed by both the House and the Senate.

MINORITY BUSINESS OUTREACH

The conference agreement provides $3,000,000 for minority business outreach as proposed by both the House and the Senate.

PAYMENTS TO AIR CARRIERS

(AIRPORT AND AIRWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides $60,000,000 for payments to air carriers to be derived from the trust fund as proposed by the Senate, instead of $54,000,000 as proposed by the House. In addition to these funds, the program will receive $50,000,000 in mandatory spending pursuant to the Federal Aviation Authorization Act of 1996, resulting in a program budget of $110,000,000.

The conference agreement includes bill language, as proposed by the House, which allows the secretary to take into consideration the subsidy requirements of carriers when selecting between carriers competing to provide service to a community.

Should the total amount of overflight fees collected not be sufficient to meet all the funding needs of the program in the fiscal year, then the secretary is authorized to transfer funds from the available balances of any program appropriated to, or directly administered by the office of the secretary to the essential air service program. The conferees direct the office of the secretary to consult with the House and Senate Committees on Appropriations if such a transfer is necessary and identify the source of the funds of said transfer subject to normal reprogramming guidelines.

The provisions relating to the transfer of funds to and from the FAA for the EAS program, as proposed by the House, are addressed in the FAA administrative provisions, as proposed by the Senate.

NEW HEADQUARTERS BUILDING

The conference agreement provides $50,000,000 for continued construction and buildout of the new headquarters building as proposed by the Senate and instead of $55,000,000 as proposed by the House.

FEDERAL AVIATION ADMINISTRATION

OPERATIONS

The conference agreement includes $8,186,000,000 for operations of the Federal Aviation Administration instead of $8,396,920,000 as proposed by the House and $8,176,000,000 as proposed by the Senate. Of the total amount provided, $5,541,000,000 is to be derived from the airport and airway trust fund instead of $4,986,000,000 as proposed by the House and $5,686,500,000 proposed by the Senate. Funds are distributed in the bill by budget activity, as proposed by the Senate.

Contract tower cost-sharing.—The bill specifies $7,500,000 for continuation of the contract tower cost-sharing program as proposed by the House and Senate.

Transfers between budget activities.—The conference agreement retains Senate language that allows transfers of no greater than two percent from any budget activity, excluding aviation regulation and certification, to any budget activity. Transfers of more than two percent are subject to reprogramming procedures contained in this Act.

Flight service station transition costs.—The conference agreement provides an additional $150,000,000 for flight service station transition costs as proposed by the Senate, instead of $91,000,000 as proposed by the House.

The following table compares the conference agreement to the President's budget request and the levels proposed in the House and Senate bills by budget activity:

	House bill	Senate bill	Conference agreement
Air Traffic Organization	$6,647,305,000	$6,647,305,000	$6,647,305,000
Contract Tower base program	3,200,000	2,710,000	3,200,000
Contract tower cost-sharing program	395,000	395,000	395,000
Restoration of ARA	−222,171,000	0	0
Management of MOUs and MOAs	−500,000	0	−500,000
BTS Aviation Statistics	−4,000,000	−4,000,000	−4,000,000
Annualization Adjustment	0	−2,000,000	−2,000,000
NAS Handoff	0	−17,000,000	−17,000,000
Alien Species Action Plan	0	1,600,000	1,600,000
NY/NJ Airspace Redesign	0	(2,000,000)	(2,000,000)
Amount Recommended	6,424,229,000	6,627,010,000	6,629,000,000
Flight Service Stations Transition	91,000,000	150,000,000	150,000,000
Amount Recommended	91,000,000	150,000,000	150,000,000
Research and Acquisition	0	0	0
Restoration of office funding	222,171,000	0	0
Amount Recommended	222,171,000	0	0
Aviation Regulation and Certification/Aviation Safety	941,742,000	941,742,000	941,742,000
Flight Standards Safety inspectors	4,000,000	8,000,000	8,000,000
Aircraft Certification Service	4,000,000	4,000,000	4,000,000
Safety and Security Analytics	1,000,000	0	1,000,000
Professional Aerial Application support system	50,000	.....	50,000
Certification of upset training program	250,000	.....	250,000
Human Intervention and Motivation Study	0	500,000	500,000
Medallion Program	0	2,000,000	2,000,000
Charter air service safety program	.....	.....	1,000,000
Amount Recommended	951,042,000	956,242,000	958,542,000
Commercial Space Transportation	11,759,000	11,759,000	11,759,000
Amount recommended	11,759,000	11,759,000	11,759,000
Financial Services	50,983,000	50,983,000	50,983,000
Personnel adjustments	−400,000	0	0
Amount recommended	50,583,000	50,983,000	50,983,000
Human Resource Management	69,943,000	69,943,000	69,943,000
Adjustments	0	0	0
Amount recommended	69,943,000	69,943,000	69,943,000
Region and Center Operations	150,744,000	150,744,000	150,744,000
Adjustments	0	0	0
Amount recommended	150,744,000	150,744,000	150,744,000
Staff Offices	141,909,000	141,909,000	141,909,000
Personnel adjustments	−1,572,000	0	91,000
Amount Recommended	140,337,000	141,909,000	142,000,000
Information Services	36,112,000	36,612,000	36,612,000
E-gov adjustment	0	−500,000	−500,000
Amount recommended	36,612,000	36,112,000	36,112,000
Account-wide Adjustments:			
Personnel compensation and benefits	−8,000,000	0	0
Unfilled executive positions	−5,000,000	0	0
Working Capital Fund	−1,500,000	0	0
Undistributed reduction	0	−18,702,000	−13,083,000
Amount recommended	−14,500,000	−18,702,000	−13,083,000
Total	8,133,920,000	8,176,500,000	8,186,000,000

National airspace redesign.—The conference agreement includes $2,000,000 and language proposed by the Senate regarding the use of funds for the national airspace redesign project in the New York/New Jersey metropolitan area. The conferees agree to House language that no funds made available under this appropriation may be used to prepare the Environmental Impact Statement for the redesign of the New York/New Jersey/Philadelphia regional airspace, or to conduct any work as part of the review of the redesign project conducted under the National Environmental Policy Act and related laws, as long as the FAA fails to consider noise mitigation. Further, none of the funds made available for this purpose shall be reprogrammed by the FAA to other activities, including airspace redesign not directly related to New York, New Jersey, and Philadelphia airspace redesign.

Safety inspectors.—The conferees provide a total of $683,845,000 for flight standards safety inspectors and $162,271,000 for aircraft certification services to address staffing reductions. This funding level represents an increase over the budget request of $8,000,000 for flight standards safety inspectors and $4,000,000 for aircraft certification services.

The conference agreement modifies reporting requirements proposed by the House and Senate regarding safety inspector staffing in the offices of flight standards and aircraft certification, and directs FAA to submit semi-annual reports in fiscal year 2006 identifying baseline staffing levels, staffing goals, number of new hires on board, number of new hires in the pipeline, and the use of funds provided for these offices.

Information services.—The conference agreement provides $36,112,000 for information services, as proposed by the Senate, and modifies Senate language directing that no funds be transferred to another agency in support of the e-gov initiative without prior notification of the House and Senate Committees on Appropriations.

On-airport mobile refuelers.—The conferees recommend that the U.S. Department of Transportation (DOT) work with the Environmental Protection Agency (EPA) to establish reasonable methods of compliance for the EPA's Spill Prevention Control and Countermeasure (SPCC) requirements as they relate to on-airport mobile refuelers.

On-airport mobile refueling vehicles already incorporate significant spill prevention protections. The design of refuelers is regulated by DOT and incorporates numerous safety systems, including emergency cut-off switches, interlock systems, and over-fill prevention devices for minimizing the potential for spills. In addition, the FAA extensively regulates the operations of mobile refuelers and other ground vehicles at airports to ensure safe operations. Moreover, mobile refueler operations at airports are subject to EPA regulations governing stormwater discharges, and airports have response plans in place to address potential spills. The conferees urge DOT and EPA to work together to ensure that the regulations do not impose unreasonable cost burdens on the operators of the refueling vehicles.

Non-precision GPS approaches.—The conference agreement includes up to $5,000,000 for development of additional approaches and flight procedures at non-part 139 certified airports.

Air charter safety management system.—The conference agreement provides $1,000,000 for the government and industry cooperative program to improve safety for America's Part 135 on-demand air taxi industry. This program provides proactive tools for industry participants to prevent accidents and to improve and measure safety management by Part 135 on-demand air carriers.

Department of Defense schools.—FAA organizations have traditionally staffed their overseas facilities with employees who have return rights to the U.S. mainland, making their dependents qualified to attend DOD schools. In 2004, FAA reviewed the eligibility of FAA employees in Puerto Rico and determined that many were ineligible to attend these schools. The majority of employees in Puerto Rico are local hires or employees that have stayed so long that they have forfeited their return rights.

The FAA worked with DOD and its employees to allow the dependents of ineligible employees to enroll for one more year under a ''good cause'' continuation for the 2004–2005 school year. After FAA's determination in June 2004, another ''good cause'' extension was requested from DOD for the 2005–2006 school year. The conferees understand that the second extension was granted to provide adequate time to plan for the 2007 school year. FAA should continue to provide DOD school access for the dependents of eligible employees, consistent with its policies. Further, the conferees direct that the FAA provide a report to the House and Senate Committees on Appropriations by March 15, 2006 detailing the justification for its determination, assistance it provided to employees determined as ineligible, and the tuition expenses that are provided for all FAA dependents living outside of the U.S.

FACILITIES AND EQUIPMENT

(AIRPORT AND AIRWAY TRUST FUND)

The conference agreement includes $2,540,000,000 instead of $3,053,000,000 as proposed by the House and $2,448,000,000 as proposed by the Senate. Of the total amount available, $429,210,500 is available until September 30, 2006, and $2,110,789,500 is available until September 30, 2008. The conference agreement includes language proposed by both the House and Senate directing FAA to transmit a detailed five-year capital investment plan to Congress with its fiscal year 2007 budget submission.

The following table provides a breakdown of the House and Senate bills and the conference agreement by program:

BLI	Program Name	FY 2006 Estimate	House bill	Senate bill	Conference
	Activity 1- Engineering, Development Test & Evaluation				
1A01	Advanced Technology Development and Prototyping	$38,460,000	$41,460,000	$75,960,000	$68,210,000
1A02	Safe Flight 21	$32,950,000	$42,950,000	$42,950,000	$42,950,000
1A03	Aeronautical Data Link (ADL) Applications	$1,000,000	$1,000,000	$1,000,000	$1,000,000
1A04	Next Generation Very High Frequency Air/Ground Communications System (NEXCOM)	$33,500,000	$33,500,000	$33,500,000	$33,500,000
1A05	User Request Evaluation Tool (URET)	$73,300,000	$73,300,000	$68,300,000	$73,300,000
1A06	Traffic Management Advisor (TMA)	$24,000,000	$24,000,000	$22,000,000	$22,000,000
	Technology Demonstration/Louisville, KY	$0		$3,000,000	$3,000,000
1A07	NAS Improvement of System Support Laboratory	$1,000,000	$1,000,000	$1,000,000	$1,000,000
1A08	William J. Hughes Technical Center Facilities	$12,000,000	$12,000,000	$12,000,000	$12,000,000
1A09	William J. Hughes Technical Center Infrastructure Sustainment	$5,100,000	$5,100,000	$4,100,000	$4,100,000
	Global Communication, Navigation, Surveillance System (GCNSS)	$0	$0	$15,000,000	$14,000,000
	TOTAL Activity 1	**$221,310,000**	**$234,310,000**	**$278,810,000**	**$275,060,000**
					$275,060,000
	Activity 2 - Air Traffic Control Facilities & Equipment				
2A01	En Route Automation Modernization (ERAM)	$341,550,000	$341,550,000	$327,550,000	$333,550,000
2A02	En Route Communications Gateway (ECG)	$6,000,000	$6,000,000	$6,000,000	$6,000,000
2A03	En Route Systems Modifications	$34,600,000	$34,600,000	$34,600,000	$34,600,000
2A04	En Route Automation Programs	$6,900,000	$6,900,000	$6,900,000	$6,900,000
2A05	Next Generation Weather Radar (NEXRAD) - Provide	$5,100,000	$5,100,000	$5,100,000	$5,100,000
2A06	Weather and Radar Processor (WARP)	$10,500,000	$10,500,000	$10,500,000	$10,500,000
2A07	ARTCC Building Improvements/Plant Improvements	$42,400,000	$42,400,000	$34,100,000	$37,400,000
2A08	Voice Switching and Control System (VSCS)	$7,500,000	$7,500,000	$7,500,000	$7,500,000
2A09	Air Traffic Management (ATM)	$83,300,000	$83,300,000	$53,600,000	$73,300,000
2A10	Air/Ground Communications Intrastructure	$22,900,000	$22,900,000	$22,900,000	$22,900,000
2A11	ATC Beacon Interrogator (ATCBI)-Replacement	$15,400,000	$15,400,000	$18,600,000	$18,600,000
2A12	Air Traffic Control En Route Radar Facilities Improvements	$3,000,000	$3,000,000	$3,000,000	$3,000,000
2A13	En Route Communications and Control Facilities Improvements	$1,864,500	$1,864,500	$1,864,500	$1,864,500
2A14	Integrated Terminal Weather System (ITWS)	$18,400,000	$18,400,000	$18,400,000	$18,400,000
2A15	FAA Telecommunications Infrastructure (FTI)	$57,800,000	$57,800,000	$57,800,000	$57,348,400
2A16	Guam Center Radar Approach Control (CERAP) - Relocate	$3,000,000	$3,000,000	$3,000,000	$3,000,000
2A17	Oceanic Automation System (OAS)	$35,700,000	$35,700,000	$35,700,000	$35,700,000
2A18	ATOMS Local Area/Wide Area Network	$2,200,000	$2,200,000	$2,200,000	$2,200,000
	Volcano Monitoring	$0	$0	$3,000,000	$3,000,000
	SUBTOTAL En Route Programs	**$698,114,500**	**$698,114,500**	**$652,314,500**	**$680,862,900**
2B01	Airport Surface Detection Equipment -Model X (ASDE-X)	$27,200,000	$27,200,000	$27,200,000	$30,200,000
2B02	Terminal Doppler Weather Radar (TDWR) - Provide	$8,000,000	$8,000,000	$8,000,000	$8,000,000
2B03	Terminal Automation - Phase 1	$83,200,000	$83,200,000	$83,200,000	$83,200,000
2B03X	Terminal Automation Modernization Replacement				$20,000,000
2B04	Terminal Automation Modernization Program	$39,300,000	$64,300,000	$39,300,000	$24,300,000
2B05	Terminal Air Traffic Control Facilities--Replace	$85,400,000	$130,000,000	$105,100,000	$124,800,000
2B06	Airport Traffic Control Tower (ATCT)/TRACON Facilities -Improve	$51,469,900	$51,469,900	$51,469,900	$44,233,000
2B07	Terminal Voice Switch Replacement (TVSR)/Enhancement Terminal Voice Switch (ETVS)	$8,000,000	$8,000,000	$8,000,000	$8,000,000
2B08	NAS Facilities OSHA and Environmental Standards Compliance	$20,700,000	$20,700,000	$18,700,000	$18,700,000
2B09	Houston Area Air Traffic System (HAATS)	$10,200,000	$10,200,000	$10,200,000	$10,200,000
2B10	NAS Infrastructure Management System (NIMS)	$17,000,000	$17,000,000	$17,000,000	$17,000,000
2B11	Airport Surveillance Radar (ASR-9)	$26,200,000	$26,200,000	$26,200,000	$26,200,000
2B12	Voice Recorder Replacement Program (VRRP)	$5,500,000	$7,000,000	$5,500,000	$6,000,000
2B13	Terminal Digital Radar (ASR-11)	$60,600,000	$60,600,000	$60,600,000	$60,600,000
2B14	DOD/FAA Facilities Transfer	$1,300,000	$1,300,000	$1,300,000	$3,300,000
2B15	Precision Runway Monitors (PRM)	$8,500,000	$8,500,000	$8,500,000	$8,500,000
	Multilateration technology	$0	$0	$0	$6,000,000

BLI	Program Name	FY 2006 Estimate	House bill	Senate bill	Conference
2B16	Terminal Radar (ASR)--Improve	$942,100	$942,100	$942,100	$942,100
2B17	Terminal Communications-Improve	$1,463,000	$1,463,000	$1,463,000	$1,463,000
	Integrated Control and Monitoring System	$0	$3,500,000	$0	$4,000,000
	Subtotal -- Terminal Programs	**$454,975,000**	**$526,075,000**	**$472,675,000**	**$505,638,100**
2C01	Automated Surface Observing System (ASOS)	$4,500,000	$4,500,000	$4,500,000	$4,500,000
2C02	FSAS Operational and Supportability Implementation System (OASIS)	$14,300,000	$14,300,000	$10,200,000	$12,250,000
2C03	Flight Service Station (FSS) Modernization	$1,800,000	$1,800,000	$1,800,000	$1,800,000
	SUBTOTAL - Flight Service Programs	**$20,600,000**	**$20,600,000**	**$16,500,000**	**$18,550,000**
2D01	VHF Omnidirectional Radio Range (VOR) with Distance Measuring Equipment (DME)	$3,000,000	$3,000,000	$3,000,000	$3,000,000
2D02	Instrument Landing System (ILS) Establish	$8,200,000	$30,000,000	$14,025,000	$19,850,000
	Transponder Landing System	$0	$20,000,000	$0	$0
2D03	Wide Area Augmentation System (WAAS) for GPS	$100,000,000	$110,000,000	$98,500,000	$93,000,000
2D04	Runway Visual Range (RVR)	$6,000,000	$6,000,000	$6,000,000	$6,000,000
2D05	Navigation and Landing Aids-Improve	$2,997,400	$2,997,400	$2,997,400	$2,997,400
2D06	Approach Lighting System Improvement Program (ALSIP)	$5,000,000	$25,000,000	$8,000,000	$9,000,000
2D07	Distance Measuring Equipment (DME)	$1,200,000	$4,000,000	$1,200,000	$1,200,000
2D08	Visual Navaids--Establish/Expand	$1,600,000	$1,600,000	$1,600,000	$1,600,000
	LORAN-C	$0	$25,000,000	$10,000,000	$17,500,000
2D09	Instrument Approach Procedures Automation (IAPA)	$5,900,000	$5,900,000	$5,900,000	$5,900,000
2D10	Navigation and Landing Aids-Service Life Extension Program (SLEP)	$2,000,000	$2,000,000	$2,000,000	$2,000,000
2D11	VASI Replacement -Replace with Precision Approach Path Indicator	$3,000,000	$3,000,000	$3,000,000	$3,000,000
	SUBTOTAL - Landing & Navigational Aids	**$138,897,400**	**$193,497,400**	**$156,222,400**	**$165,047,400**
2E01	Fuel Storage Tank Replacement and Monitoring	$6,700,000	$6,700,000	$2,976,000	$3,000,000
2E02	FAA Buildings and Equipment	$11,400,000	$11,400,000	$11,400,000	$11,400,000
2E03	Electrical Power Systems-Sustain/Support	$45,000,000	$45,000,000	$40,000,000	$40,000,000
2E04	Air Navigational Aids and ATC Facilities (Local Projects)	$2,500,000	$2,500,000	$2,500,000	$2,500,000
2E05	Aircraft Related Equipment Program	$22,000,000	$22,000,000	$22,000,000	$22,000,000
2E06	Airport Cable Loop Systems-Sustained Support	$5,000,000	$5,000,000	$5,000,000	$5,000,000
2E07	Alaskan NAS Interfacility Communications System (ANICS)	$600,000	$600,000	$600,000	$600,000
	SUBTOTAL - OTHER ATC FACILITIES	**$93,200,000**	**$93,200,000**	**$84,476,000**	**$84,500,000**
	TOTAL ACTIVITY 2	**$1,405,786,900**	**$1,531,486,900**	**$1,382,187,900**	**$1,454,598,400**
	Activity 3 - Non-ATC Facilities & Equipment				
3A01	Hazardous Materials Management	$17,000,000	$17,000,000	$15,100,000	$15,100,000
3A02	Aviation Safety Analysis System (ASAS)	$13,200,000	$13,200,000	$13,200,000	$13,200,000
3A03	Logistics Support Systems and Facilities (LSSF)	$13,200,000	$13,200,000	$13,200,000	$13,200,000
3A04	Test Equipment-Maintenance Support for Replacement	$3,000,000	$3,000,000	$3,000,000	$3,000,000
3A05	National Aviation Safety Data Analysis Center (NASDAC)	$900,000	$900,000	$900,000	$900,000
3A06	National Air Space (NAS) Recovery Communications (RCOM)	$10,000,000	$10,000,000	$7,573,000	$7,573,000
3A07	Facility Security Risk Management	$30,000,000	$30,000,000	$30,000,000	$30,000,000
3A08	Information Security	$12,000,000	$12,000,000	$8,000,000	$12,000,000
3A09	Integrated Flight Quality Assurance (IFQA)	$2,000,000	$2,000,000	$2,000,000	$2,000,000
3A10	System Approach for Safety Oversight (SASO)	$9,200,000	$9,200,000	$6,350,000	$9,200,000
3A11	Aviation Safety Knowledge Management Environment (ASKME)	$2,200,000	$2,200,000	$2,200,000	$2,200,000
	SUBTOTAL - Support Equipment	**$112,700,000**	**$112,700,000**	**$101,523,000**	**$108,373,000**
3B01	Aeronautical Center Intrastructure Modernization	$16,000,000	$16,000,000	$9,500,000	$9,500,000
3B02	National Airspace System (NAS) Training Facilities	$7,500,000	$7,500,000	$7,500,000	$7,500,000
3B03	Distance Learning	$1,900,000	$1,900,000	$1,900,000	$1,900,000
	SUBTOTAL - Training Equipment & Facilities	**$25,400,000**	**$25,400,000**	**$18,900,000**	**$18,900,000**
	TOTAL - Activity 3	**$138,100,000**	**$138,100,000**	**$120,423,000**	**$127,273,000**
	Activity 4 - Mission Support				

BLI	Program Name	FY 2006 Estimate	House bill	Senate bill	Conference
4A01	System Engineering and Development Support	$32,240,000	$32,240,000	$27,595,000	$27,595,000
4A02	Safety Management System	$3,000,000	$3,000,000	$3,000,000	$3,000,000
4A03	Program Support Leases	$45,000,000	$45,000,000	$45,000,000	$45,000,000
4A04	Logistic Support Services (LSS)	$9,700,000	$9,700,000	$9,700,000	$9,700,000
4A05	Mike Monroney Aeronautical Center Leases	$13,500,000	$13,500,000	$13,500,000	$13,500,000
4A06	Transition Engineering Support	$24,000,000	$24,000,000	$24,000,000	$24,000,000
4A07	Frequency and Spectrum Engineering	$6,100,000	$8,600,000	$6,100,000	$8,600,000
4A08	Permanent Change of Station (PCS) Moves	$500,000	$500,000	$500,000	$500,000
4A09	Technical Support Services Contract (TSSC)	$33,000,000	$33,000,000	$33,000,000	$33,000,000
4A10	Center for Advanced Aviation System Development (CAASD)	$69,600,000	$86,000,000	$69,600,000	$77,800,000
4A11	NOTAMS and Aeronautical Information Programs	$10,000,000	$10,000,000	$10,000,000	$10,000,000
4A12	Flight Service Facilities - Improve	$1,163,100	$1,163,100	$1,163,100	$1,163,100
	Total - Activity 4	**$247,803,100**	**$266,703,100**	**$243,158,100**	**$253,858,100**
	Activity 5 - Personnel Compensation, Benefits and Travel				
5A01	Personnel and Related Expenses	$435,000,000	$435,000,000	$423,421,000	$429,210,500
	Accountwide Adjustment	**$0**	**$447,400,000**	**$0**	**$0**
	GRAND TOTAL	**$2,448,000,000**	**$3,053,000,000**	**$2,448,000,000**	**$2,540,000,000**

Advanced technology development and prototyping.—The conference agreement includes $68,210,000 for advanced technology development and prototyping instead of $41,460,000 as proposed by the House and $75,960,000 as proposed by the Senate. The following table compares the conference agreement to the House and Senate bills by budget activity:

Project	House	Senate	Conference
Runway Incursion	$7,100,000	$7,100,000	$7,100,000
Aviation System Capacity Improvement (ASCI)	6,500,000	6,500,000	6,500,000
Separation Standards	2,500,000	2,500,000	2,500,000
General Aviation and Vertical Flight Technology	1,500,000	1,500,000	1,500,000
Operational Concept Validation	3,000,000	3,000,000	3,000,000
NAS Requirements	800,000	800,000	800,000
Safer Skies	3,400,000	3,400,000	3,400,000
NAS Safety Assessment	1,500,000	1,500,000	1,500,000
Wake Turbulence	2,000,000	4,000,000	4,000,000
Airspace Management Laboratory	7,000,000	7,000,000	7,000,000
Wind Profiling in Juneau, AK	3,160,000	3,160,000	3,160,000
Airport Cooperative Research Program	—	10,000,000	—
GPS Anti-jam technologies	1,000,000	—	1,000,000
Fogeye	—	—	500,000
Lithium Technologies to reduce ASR	1,000,000	—	1,000,000
Mobile Object Infrastructure Technology	—	3,000,000	2,750,000
Airport Technology Program	—	17,500,000	17,500,000
Airfield Pavements Research	$1,000,000	4,000,000	4,000,000
Runway Obstruction Warning System	—	1,000,000	1,000,000
Total	41,460,000	75,960,000	68,210,000

Airport pavement research.—Of the funds provided, $4,000,000 is for the airfield improvement program authorized under section 905 of Public Law 106–181.

Safe Flight 21.—The conference agreement includes $42,950,000 for Safe Flight 21, of which $10,000,000 is to augment ADS–B funding. The conferees direct the FAA to submit a spend plan to the House and Senate Committees on Appropriations within 30 days of enactment.

En route automation.—The conference agreement provides $333,550,000 for en route automation. FAA is given the discretion to allocate the reduction of $8,000,000 among projects within this program.

Airport surface detection equipment—Model X (ASDE–X).—The conference agreement provides $30,200,000 for ASDE—X, instead of $27,200,000 proposed by both the House and Senate. The conferees note that the ASDE–X deployment schedule has slipped by two years. Although the FAA recently announced deployment at 15 major airports, the conferees remain concerned about runway incursions and provide an additional $3,000,000 to expedite installation and deployment of ASDE–X equipment.

Airport traffic control tower TRACON facilities.—The conferees provide $44,233,830, instead of $51,469,000 as proposed by the House and Senate. The reduction is due to the prohibition of ARAC consolidation into the Oklahoma City TRACON.

Houston Area Air Traffic System (HAATS).—The conference agreement provides $10,200,000 for the HAATS.

DOD/FAA facilities transfer.—The conference agreement includes $2,000,000 to continue the FAA contribution for operation of the airport radar approach control at Lawton/Fort Sill Regional Airport in Oklahoma.

Integrated control and monitoring system (ICMS).—The conference agreement includes $4,000,000 for ICMS. Although the system has been operating successfully at six airports, the FAA is conducting an operational safety assessment of ICMS. The conferees concur with the FAA's decision to spend no more than $500,000 on this assessment, and the FAA used a portion of the fiscal year 2005 appropriation for this purpose. The conferees expect FAA to obligate the funding within three months of enactment of this Act.

Terminal automation modernization replacement (TAMR).—The conference agreement provides $20,000,000 for modernization of display systems replacement at two terminal radar approach control facilities and their associated air traffic control towers. The funding level is consistent with the budget request; however, the conference agreement provides funds under TAMR instead of the terminal automation program. The conferees note that on November 9, 2005, FAA requested interested companies with automation systems in the NAS for descriptions of their systems. The notice includes four critical sites: Chicago, Illinois; Denver, Colorado; St. Louis, Missouri; and Minneapolis—St. Paul, Minnesota, with an expected award date of January 2007. The sites were identified by the FAA as critical to upgrade. The conferees are concerned that the competition for the replacement of these four aging systems, which is only being offered to a limited number of vendors, is expected to take up to 15 months. The conferees encourage FAA to expedite consideration of proposals and make an award or awards, as the case may be, as soon as possible. In order to best address the emergency needs of each site in the most timely and efficient manner, the FAA is encouraged to independently evaluate bids based on the unique circumstances and situations at each location. Furthermore, the conferees note that if the FAA determines that air traffic control equipment at other facilities poses a critical safety risk, the conferees would consider and promptly respond to a request to reprogram funds to accommodate additional facilities if safety critical arise.

Terminal automation program.—The conference agreement provides $24,300,000 for the terminal automation program instead of $64,300,000 as proposed by the House and $39,300,000 as proposed by the Senate. The conference agreement transferred $20,000,000 provided by both the House and Senate to TAMR to reflect that FAA will complete the display modernization. The funding level includes a total of $22,000,000 to continue to sustain software at the busiest facilities in the NAS.

Terminal air traffic control facilities replacement.—The conference agreement provides $124,800,000 for this program. Funds shall be distributed as follows:

Project	*Conference agreement*
Addison Field, Dallas, Texas	$1,500,000
Battle Creek, Michigan	1,600,000
Billings, Montana	1,800,000
Boise, Idaho	7,700,000
Broomfield, Colorado	1,220,000
Champaign, Illinois	2,200,000
Cleveland, Ohio	18,225,000
Dayton, Ohio	1,300,000
Deer Valley, Arizona	2,300,000
Dulles International, Chantilly, Virginia	4,500,000
Fort Wayne, Indiana	1,300,000
Gulfport/Biloxi, Mississippi	5,000,000
Houston TRACON, Texas	4,000,000
Huntsville, Alabama	2,216,000
Jeffco Airport, Colorado	4,000,000
Kona, Hawaii	2,000,000
LaGuardia Int'l, New York	10,000,000
Lihue, Hawaii	2,000,000
Manchester, New Hampshire	1,300,000
McCarran International, Las Vegas, Nevada	3,000,000
Memphis, Tennessee	2,300,000
Memphis, Tennessee	16,100,000
Morristown, New Jersey	8,339,000
Morristown, New Jersey	1,150,000
Newport News, Virginia	2,300,000
Palm Beach International Airport, Florida	2,000,000
Palm Springs International Airport, California	2,300,000
Phoenix, Arizona	2,450,000
Reno, Nevada	3,300,000
Spokane, Washington	3,000,000
St. Louis Downtown Airport, Illinois	2,880,000
Traverse City Air Traffic Control Tower, Michigan	1,520,000

Spokane Tower.—The conferees include $3,000,000 for the demolition or relocation of seven buildings that are in the line-of-sight of the new air traffic control tower currently under construction. The conferees also understand that the need to build additional duct banks and other costs will require additional resources in fiscal year 2006 in order for the tower to be commissioned on August 27, 2007. The conferees direct the FAA to utilize unobligated balances within the tower program to fully cover these additional costs.

Wide area augmentation system (WAAS).—The conferees provide $93,000,000 for WAAS, instead of $110,000,000 as proposed in the House and $98,500,000 as proposed by the Senate. Of the funds provided, no less than $5,000,000 is for approaches at airports without an existing ILS. The conferees note that an additional $10,000,000 was provided for WAAS in a reprogramming letter dated September 20, 2005.

Chicago O'Hare.—The conferees remain concerned that congestion and delays at major hubs impact the national airways system. Improving overall efficiency through investment in technology and procedures will increase capacity while long-term solutions to airport congestion continue to be developed. The conferees support and encourage the FAA to make the following improvements to operations at O'Hare International Airport: (1) expeditiously install a multilateration system and accelerate deployment of the ASDE–X radar system to improve ground handling of aircraft and (2) redesign the descent corridor airspace and implement new RNAV arrivals and idle descents.

Detroit Metro Airport, Michigan.—Detroit Metro Airport was identified as a candidate airport where FAA should consider installation of the precision runway monitor (PRM) system to improve airport capacity in inclement weather conditions. Since then, FAA has begun to limit PRM deployment in favor of multilateration technology. Since the need for capacity improvements at Detroit Metro remains valid and FAA is moving away from PRM deployments, the conferees provide $6,000,000 to develop and implement multilateration technology at this airport.

Approach lighting system improvement program.—The conference agreement provides $9,000,000 for the approach lighting system improvement program. Of the amount provided, $3,000,000 is to continue the program of providing lighting systems at rural airfields throughout Alaska, and $1,000,000 is for a medium-intensity approach lighting system replacement (MALSR) for Lee Gilmer Airport in Gainesville, Georgia. The conferees do not include House language directing $5,000,000 to procure MALSR equipment, as a significant number of procured systems have not been installed. Further, the conference agreement includes language proposed by the Senate regarding issuing new MALSR specifications.

Instrument landing system establishment.—The conference agreement provides $19,850,000 for the instrument landing system

establishment. Funds shall be distributed as follows:

Fort Lauderdale-Hollywood, Florida	Install previously procured approach lighting system (runway 31)	$1,800,000
Long Beach, California	Install previously procured approach lighting system (runway 25R)	2,000,000
Hartsfield-Jackson International, Georgia	Acquire and install replacement LPDME	400,000
Keokuk Municipal, Iowa	Install previously acquired glide scope	550,000
Klawock, Alaska	Install previously acquired ILS	1,800,000
McCook Municipal, Nebraska	Phase II installation of glide slope and PAPI system	675,000
Western Nebraska (Scottsbuff) Regional, Nebraska	Acquire and install glide slope and MALSR	1,900,000
McAllen-Miller Airport, Texas	Acquire and install ILS	1,623,000
Somerset Airport, Kentucky	Installation of previously acquired ILS	1,525,000
Leesburg Executive Airport, Virginia	Installation of previously acquired ILS	2,000,000
Ozark Regional Airport, Arkansas	Final phase of ILS installation	577,000

In addition, the conference agreement includes $4,400,000 for the cost sharing initiative and $600,000 for the FAA to conduct site surveys to determine costs and feasibility for installing instrument landing systems at the following airports: Reno/Tahoe International, Nevada; University Park, Pennsylvania; Aiken Municipal, South Carolina; Wendover, Utah; Menomonie Municipal—Score Field, Wisconsin; and Taylor County, Wisconsin.

Frequency and spectrum engineering.—The conference agreement includes $8,600,000 for frequency and spectrum engineering, of which $2,500,000 is for the national airspace interference detection location and mitigation project.

Center for advanced systems development (CAASD).—The conference agreement provides $77,800,000 for CAASD. The conferees encourage the use of funds to support of simulations and technical analysis to ensure implementation of constant descent arrivals using aircraft based spacing and merging.

Transponder landing system.—The conference agreement does not provide funds for this program.

RESEARCH, ENGINEERING AND DEVELOPMENT

The conference agreement provides $138,000,000 for research, engineering, and development instead of $130,000,000 as proposed by the House and $134,500,000 as proposed by the Senate. The following table compares the conference agreement to the House and Senate bills by budget activity:

Program	House bill	Senate bill	Conference agreement
Improve Aviation Safety:			
Fire research and safety	$6,244,000	$6,244,000	$6,244,000
Propulsion and fuel systems	4,049,000	5,049,000	5,799,000
Advanced material/structural safety	2,613,000	3,213,000	5,941,000
Atmospheric hazards/digital system safety	3,441,000	3,441,000	3,441,000
Aging aircraft	19,007,000	20,007,000	20,007,000
Aircraft catastrophic failure prevention research	3,340,000	3,340,000	3,340,000
Flightdeck maintenance/system integration human factors	8,181,000	8,181,000	8,181,000
Aviation safety risk analysis	4,932,000	4,932,000	4,932,000
Air traffic control airways facility human factors	9,654,000	9,654,000	9,654,000
Aeromedical research	6,889,000	8,889,000	8,889,000
Weather program—safety	20,582,000	20,582,000	20,582,000
Improve efficiency:			
Joint program and development office	18,100,000	17,000,000	18,100,000
Wake Turbulence	2,296,000	2,296,000	2,296,000
Reduce Environment Impacts—Environment and Energy Mission Support	16,008,000	17,008000	16,000,000
System Planning and Resource Management	1,271,000	1,201,000	1,201,000
William J. Hughes Technical Center Laboratory Facility	3,393,000	3,393,000	3,393,000
Total	130,000,000	134,500,000	138,000,000

Propulsion and fuel systems.—Of the funds provided, $500,000 is to continue the evaluation of molecular markers for detecting the adulteration or dilution of jet fuel; $300,000 is for research into modifying general aviation piston engines to enable their safe operation using unleaded aviation fuel; $500,000 is for research into aviation grade ethanol fuels at South Dakota State University; $400,000 for the Center of Excellence for General Aviation research; and $750,000 is for simulation of containment of airplane engine failure at the George Washington University in Virginia.

Advanced materials/structural safety.—Of the funds provided, $4,000,000 is for research and equipment at the National Institute for Aviation Research at Wichita State University and $400,000 is for advanced materials research at the University of Washington.

Aging Aircraft.—Of the funds provided, $1,000,000 is for the Center for Aviation Systems Reliability; $1,265,000 is for the Aging Aircraft Nondestructive Inspection Validation Center; $1,000,000 is for the National Institute for Aviation Research; $1,325,000 is for Center for Aviation Research and Aerospace Technology; and $100,000 is for the Center of Excellence for General Aviation Research.

Flightdeck safety/systems integration.—Of the funds provided, $235,000 is to continue developing in-flight simulator training for commercial pilots at the Flight Research Training Center.

Aeromedical research.—Of the funds provided, $2,000,000 is to continue studies related to cabin air quality to be conducted by the Center of Excellence for Cabin Environment Research.

GRANTS-IN-AID FOR AIRPORTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(AIRPORT AND AIRWAY TRUST FUND)

The conference agreement includes a liquidating cash appropriation of $3,399,000,000 instead of $3,600,000,000 as proposed by the House, and $3,390,000,000 as proposed by the Senate.

Obligation limitation.—The conferees agree to an obligation limitation of $3,550,000,000 for the ''Grants-in-aid for airports'' program, instead of $3,600,000,000 as proposed by the House and $3,500,000,000 as proposed by the Senate.

Administration.—The conference agreement includes a limitation on administrative expenses of $71,096,000 as proposed by the Senate.

Small community air service development program.—The bill includes $10,000,000 under the obligation limitation to continue the small community air service development program instead of $20,000,000 as proposed by the Senate. The House had no similar funding.

Airport cooperative research program.—The bill includes $10,000,000 under the obligation limitation for the airport cooperative research program, as proposed by the House. The Senate provided funds under the facilities and equipment appropriation.

High priority projects.— Of the funds covered by the obligation limitation in this bill, the conferees direct FAA to provide not less than the following funding levels, out of available resources, for the following projects. The conferees agree that state apportionment funds may be construed as discretionary funds for the purposes of implementing this provision. To the maximum extent possible, the administrator should work to ensure that airport sponsors for these projects first use available entitlement funds to finance the projects. However, the FAA should not require sponsors to apply carryover entitlements to discretionary projects funded in the coming year, but only those entitlements applicable to the fiscal year 2006 obligation limitation. The conferees further direct that the specific funding allocated below shall not diminish or prejudice the application of a specific airport or geographic region to receive other AIP discretionary grants or multiyear letters of intent.

Airport Name	*Project Description*	*Conference*
Sitka Rocky Gutierrez Airport, AK	Design airport improvements	$ 325,000
Abbeville Municipal Airport, AL	Rehabilitate runways	1,000,000
Huntsville International - Jones Field Airport, AL	Construct taxiway L	2,000,000
Richard Arthur Field Airport, AL	Hangar development	300,000
Boone County Regional Airport, AR	Ramp rehabilitation	300,000
Texarkana Regional Airport, AR	Construct ARFF building	1,000,000
Phoenix Deer Valley Airport, AZ	Land acquisition	3,000,000
Phoenix Sky Harbor Airport, AZ	Noise reduction	1,000,000
Phoenix Sky Harbor Int'l Airport, AZ	Taxiway reconstruction	3,250,000
Williams Gateway Airport, AZ	Perimeter road construction	1,500,000
Kern Valley Airport, CA	Runway extension	1,250,000
Meadows Field Airport, CA	Cargo apron	2,000,000
Nut Tree Airport, CA	Airport expansion	800,000
San Bernardino International Airport, CA	Various improvements	4,000,000
Stockton Airport, CA	Master plan update	500,000
Delaware Airpark	Construct runway and taxiway system phase III and land acquisition	2,500,000
Fort Lauderdale Hollywood International Airport, FL	Broward County automated people mover	750,000

Airport Name	*Project Description*	*Conference*
Gainesville Regional Airport, FL	Runway and taxiway renovations and various improvements	2,000,000
Jacksonville International Airport, FL	Reconstruct terminal apron and taxiway improvements	4,000,000
Miami International Airport Runway, FL	Runway rehabilitation	1,000,000
Space Coast Regional, FL	Rehabilitation of apron	1,000,000
Augusta Regional Airport, GA	Terminal developement program	2,500,000
Greene County Regional Airport, GA	Runway and taxiway extension	1,150,000
Southwest Georgia Regional Airport, GA	Runway extension	750,000
Ankeny Regional Airport, IA	Safety improvements, apron and runway expansion and various improvements	3,650,000
Council Bluffs Municipal Airport, IA	Extend and rehabilitate crosswind runway 14/32	3,000,000
Fairfield Municipal Airport, IA	Construct runway 18/36	3,200,000
DeKalb Taylor Municipal Airport, IL	Land acquisition and development	2,750,000
Lewis University Airport, IL	Land acquisition approach protection for runway 9/27	1,000,000
Quad City International, IL	Various improvements	2,000,000
Southern Illnois Airport, IL	Various improvements	500,000
Waukegan Regional Airport, IL	Environmental impact study (EIS) for runway extension project	1,450,000
Gary/Chicago Airport, IN	Runway safety area improvements, rail relocation project	1,000,000
Independence Municipal Airport, KS	Various improvements	1,400,000

Airport Name	*Project Description*	*Conference*
Ottawa Municipal Airport, KS	Apron reconstruction	400,000
Barkley Regional Airport, KY	Runway improvments.	1,100,000
Louisville International - Standiford Field, KY	Noise mitigation.	3,000,000
Somerset Airport, KY	Kit Cowan Road relocation	1,400,000
Baton Rouge Metropolitan Airport, LA	Rehabilitate taxiway lighting and various improvements	3,800,000
Houma-Terrebonne Airport, LA	Widen taxiway	1,750,000
Lafayette Airport, LA	Construct taxiway B, phase 2	2,200,000
Monroe Regional Airport, LA	New passager terminal	1,000,000
New Orleans International Airport, LA	Various improvements	5,000,000
Baltimore-Washington International, MD	Airport improvements	875,000
Auburn-Lewiston Municipal Airport, ME	Construct parallel taxiway	200,000
LifeFlight Airport, Bangor, ME	LifeFlight helipad improvements	200,000
Capitol City Airport, MI	Runway extension project	3,000,000
Detroit Metropolitan Airport, MI	Glycol force main	1,000,000
Detroit Metropolitan Airport, MI	Capacity enhancements - runway; environmental work	2,000,000
Detroit Metropolitan Airport, MI	Capacity preservation - runway	5,000,000
Huron County Memorial Airport, MI	Land Acquistion and various improvements	500,000

Airport Name	*Project Description*	*Conference*
Kalamazoo/Battle Creek Airport, MI	Airport terminal	1,500,000
Manistee County Blacker Airport, MI	Various improvements	500,000
Minneapolis-St. Paul International Airport, MN	Terminal and apron improvements	500,000
Jefferson City Airport, MO	Extend taxiways	1,250,000
Mexico Memorial Airport, MO	Jet fuel improvements and terminal renovations	190,000
Moberly Airport, MO	Airport improvements	1,940,000
Nevada Airport, MO	Runway Rehabilitation	1,750,000
Springfield Branson Airport, MO	Replacement Terminal Construction	2,870,000
Bruce Campbell Field, MS	Construct terminal and access road	1,000,000
Corinth-Alcorn County Airport, MS	Land acquisition	500,000
Golden Triangle Regional Airport, MS	Various improvements	1,000,000
Gulfport-Biloxi International Airport, MS	Perimter Road and taxiway rehabilitation	2,250,000
Iuka Airport, MS	Runway and facility improvements	500,000
Jackson Evers International Airport, MS	Airfield improvements	2,250,000
Tunica Airport, MS	Runway extension, lighting, and ILS	500,000
Billings Logan International Airport, MT	Runway	1,000,000
Concord Regional Airport, NC	Runway and various improvements	1,500,000

Airport Name	*Project Description*	*Conference*
Halifax-Northampton Regional Airport, NC	Construct new runway	650,000
Johnston County Airport, NC	Runway extension	650,000
Monroe Airport, NC	Runway expansion	1,000,000
Rockingham County Airport, NC	Land acquisition and various improvements	500,000
Rowan County Airport, NC	Land acquisition	1,000,000
Stanly County Airport, NC	Land acquisition	1,000,000
Statesville Airport, NC	Runway extension and environmental assessment	2,500,000
Wilmington International Airport, NC	Rehabilitate runway 6/24	650,000
Bismarck Municipal Airport, ND	Rehabilitate/expand apron and taxiway	800,000
Devils Lake Municipal Airport, ND	Perimeter Fence, ARFF Building, taxiway extension and various improvements	1,200,000
Jamestown Municipal Airport, ND	Perimeter Fence, ARFF Building, taxiway extension and various improvements	1,650,000
Western Nebraska Regional Airport, NE	Airport improvements	1,350,000
Alexander Municipal Airport, NM	Crosswind runway	650,000
Greater Buffalo International Airport, NY	Construct glycol treatment reed beds	500,000
Greater Rochester International Airport, NY	Construct taxiway	2,600,000
Niagara Falls International Airport, NY	Construct access road and apron	3,100,000
Westchester County Airport, NY	ILS System upgrade and various improvements	1,000,000

Airport Name	*Project Description*	*Conference*
Akron-Canton Regional Airport, OH	Centralized deicing pad and glycol runoff containment facility	2,400,000
Put-in-Bay Airport, OH	Various improvements	300,000
The Ohio University Airport, OH	Various improvements	800,000
Toledo Express Airport, OH	Terminal improvements	800,000
Ardmore Municipal Airport, OK	Rehabilitate Runway 17/35	1,000,000
R.L. Jones, Jr. Airport, OK	Airport improvements	1,225,000
West Woodward Airport, OK	Runway extension and airport improvements	1,300,000
Rogue Valley Airport, OR	Terminal improvements.	2,000,000
Doylestown Airport, PA	Extend runway cost benefit analysis	500,000
Fayette County Airport Authority, PA	Land acquisition	1,000,000
Philadelphia International, PA	Airport improvements	1,750,000
Pittsburgh International Airport, PA	Glycol collection	2,000,000
Venango Regional Airport, PA	Security upgrades	200,000
Dillon County Airport, SC	Airport improvements	500,000
Black Hills Clyde Ice Field, SD	Land aquistion and improvements.	200,000
Chattanooga Airport, TN	Reconstruction of runway 15/33	2,000,000
Everett Stewart Airport, TN	Runway extension	1,000,000

Airport Name	*Project Description*	*Conference*
Nashville International Airport, TN	Runway 13-31 Improvements	1,375,000
Upper Cumberland Regional Airport, TN	Extend runway	600,000
Alliance Airport, TX	Runway extension	4,000,000
Collin County Regional Airport, TX	Rehabilitate parallel taxiway	1,250,000
Denton Municipal Airport, TX	Runway 17/35 extension and parallel taxiway extension	2,000,000
Easterwood Airport, TX	Rehabilitate Runway 16/34	2,700,000
Granbury Municpal Airport, TX	Construct new runway 18/36	1,000,000
La Porte Municipal Airport, TX	Rehabilitate taxiway, aircraft parking apron, and install security fencing	1,400,000
Waco International, TX	Construct taxiway and airport service road	1,250,000
Breaks Interstate Regional Airport, VA	Environmental assessment for new airport	200,000
Lee County Ariport, VA	Construction of partial taxiway	475,000
Snohomish County (Paine Field), WA	Kilo One taxiway ADG-V improvements	3,500,000
L.O. Simenstad Municipal Airport, WI	Reconstruct and extend runway, construct parallel taxiway and develop hangar area	2,000,000
La Crosse Municipal Airport, WI	Construct taxiway F	1,325,000
Manitowoc County Airport, WI	Reconstruction of runway 17/35	2,000,000
Merrill Municipal Airport, WI	Construct parallel taxiways, hangar area and terminal building	2,000,000
New Richmond Regional Airport, WI	Apron rehabilitation	1,400,000

Airport Name	*Project Description*	*Conference*
Rhinelander-Oneida County Airport, WI	Extend and reconstruct runway 15/33	2,000,000
Rice Lake Regional Airport, WI	Strengthen primary runway and parallel taxiway	2,400,000
Sheboygan County Memorial Airport, WI	Land Acquisition; construct primary runway extension	2,000,000
Taylor County Airport, WI	Expand runway	2,000,000
WV Statewide	Airport improvements	8,000,000

GRANTS-IN-AID FOR AIRPORTS

(AIRPORT AND AIRWAY TRUST FUND)

(RESCISSION OF CONTRACT AUTHORIZATION)

The conference agreement includes a rescission of contract authority of $1,032,000,000 instead of $469,000,000 proposed by the House and $1,174,000,000 as proposed by the Senate.

ADMINISTRATIVE PROVISIONS—FEDERAL AVIATION ADMINISTRATION

Section 101 retains a provision authorizing airports to transfer instrument landing systems and other equipment purchased with federal airport grants to the FAA, subject to certain conditions, as proposed by the House and Senate.

Section 102 allows 375 technical staff-years at the Center for Advanced Aviation Systems Development as proposed by the House and Senate.

Section 103 prohibits funds for adopting guidelines or regulations requiring airport sponsors to provide FAA ''without cost'' building maintenance, or space as proposed by the House and Senate.

Section 104 retains a Senate provision that permits reimbursement for fees collected and credited under 49 USC 45303. The House bill contained no similar provision.

Section 105 retains a provision proposed in the Senate bill that allows reimbursement of funds for providing technical assistance to foreign aviation authorities to be credited to the Operations account. The House bill contained no similar provision.

Section 106 retains a provision proposed by the House prohibiting funds to change weight restrictions or prior permission rules at Teterboro Airport in New Jersey. The Senate bill contained no similar provision.

Section 107 retains a provision proposed by the House prohibiting funds for engineering work related to an additional runway at Louis Armstrong New Orleans International Airport in Louisiana. The Senate bill contained no similar provision.

Section 108 includes a provision as proposed by the House and modifies a Senate provision concerning the continuation and mandatory expansion of the war risk insurance program. The conference agreement extends the existing terms and conditions of the program for one year, until December 31, 2006. The conferees note that, under the provisions of section 106 of Public Law 108–176, the Secretary continues to have the authority to extend war risk insurance to aircraft manufacturers at his discretion. The Senate provision extending the virtual primary airport subsidies is addressed under section 109.

Section 109 modifies a Senate provision regarding extending virtual primary airport subsidies for fiscal year 2006. It is the conferees intent that this will be the last extension for such subsidies.

FEDERAL HIGHWAY ADMINISTRATION

LIMITATION ON ADMINISTRATIVE EXPENSES

The conference agreement limits administrative expenses of the Federal Highway Administration (FHWA) to $364,638,000, as proposed by the Senate instead of $359,529,000 as proposed by the House. This amount assumes funding for six additional full-time equivalent staff years (FTES) to help oversee FHWA major projects, for an overall agency total of 2,430 FTES. The conferees recommend the following adjustment to the budget request by program and activity:

Administrative funding in support of oversight and stewardship activities	−$4,000,000

The conferees direct FHWA to submit with the fiscal year 2007 budget justification a report describing the cost, schedule, funding, and technical status of all major projects and an explanation of significant risks to costs, schedules, funding or technical issues.

FEDERAL-AID HIGHWAYS

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

The conference agreement limits obligations for the federal-aid highways program to $36,032,343,903 instead of $36,287,100,000 as proposed by the House and $40,194,259,000 as proposed by the Senate.

The conference agreement includes bill language, as proposed by the House, which allows the Secretary to charge and collect fees from the applicant for a direct loan, guaranteed loan, or line of credit to cover the cost of the financial and legal analyses performed on behalf of the Department as authorized under section 605(b) of title 23, United States Code. The fees so collected are not subject to any obligation limitation or the limitation on administrative expenses set for the infrastructure finance program under section 608 of title 23, United States Code.

The conferees recognize the importance of permitting States to use transportation enhancement funds for historic preservation. The conferees direct the FHWA to continue approving the use of transportation enhancement funds for the preservation or restoration of historic courthouses when there is a linkage to transportation, consistent with past practices.

LIMITATION ON TRANSPORTATION RESEARCH

The conference agreement includes a general limitation on transportation research of $429,800,000 instead of $485,000,000 as proposed by the House and $408,491,420 as proposed by the Senate. Within this level, the conference agreement includes funding for the following activities:

Surface transportation research, development, deployment program	$196,400,000
Training and education program	26,700,000
Bureau of Transportation Statistics	27,000,000
University transportation research	69,700,000
Intelligent transportation systems research	110,000,000

BUREAU OF TRANSPORTATION STATISTICS

Under the obligation limitation of the FHWA and within the sublimitation for transportation research, the conference agreement provides $27,000,000 for the Bureau of Transportation Statistics (BTS). Since the passage of the Norman Y. Mineta Research and Special Programs Improvement Act, Public Law 108–426, on November 30, 2004, BTS is a part of the Research and Innovative Technology Administration (RITA) within the Department. Accordingly, additional information regarding BTS is included in the RITA section of this report.

FERRY BOATS AND FERRY TERMINAL FACILITIES

Within the funds available for ferry boats and ferry terminal facilities, funds are to be available for the following projects and activities:

Project	*Amount*
Beale Street Landing/Docking Facility, Memphis, TN	$2,500,000
Bridgeport High Speed Ferry, CT	2,750,000
Delaware Ferry Terminal NJ	2,000,000
Ferry Boat New Construction, WA	1,700,000
Ferryboat Vessel Acquisition, Erie, PA	500,000
Fire Island Ferry Terminal, Saltaire, NY	400,000
Harbor Commission Car Ferry, Cassville, WI	400,000
Homer-Halibut Cove-Jakolof Bay-Seldovia Ferry, AK	1,000,000
Iowa-illinois Regional Ferry Service, IA	300,000
Kitsap Transit, purchase a low-wake passenger-only ferry, WA	1,500,000
Kitsap Transit, Rich-Passage Wake Impact Study, Bremerton, WA	2,300,000
LaGuardia Airport Ferry, NY	600,000
Long Branch Ferry Pier, NJ	900,000
Lorain Port Authority Black River Excursion Vessel, OH	500,000
Manns Harbor Maintenance Facility, NC	3,000,000
Mayport Vessel Replacement, Jacksonville, FL ..	700,000
Oaklahoma City Water Transport System, OK	1,250,000
Port Aransas Ferryboat, TX	500,000
Replacement of Kennedy Class Ferries, NY	1,000,000
San Francisco Bay Area Water Transit Ferry Boat Oyster Point, CA	800,000
Savannah Water Ferry, GA	1,000,000
Sound Class Ferry, Ocracoke, NC	2,750,000
Stamford High Speed Ferry, CT	2,750,000
Staten Island Fast Ferry Purchase, NY	2,000,000
Thames Shipyard/Cross Sound Ferry Terminal, CT	500,000
Vashon Island Passenger Ferry, WA	1,400,000

TRANSPORTATION AND COMMUNITY AND SYSTEM PRESERVATION PROGRAM

Within the funds made available for the transportation and community and system preservation program, funds are to be distributed to the following projects and activities:

Project	*Amount*
Bridge for Kids, Carbon River Pedestrian Bridge, Orting, WA	$750,000
Bristol Chestnut Street Resurfacing, Sidewalks, and Drainage, RI	600,000
Brooklyn Queens Express Mitigation Study, NY	300,000
Cambridge Rail Yard Revitalization, NY	600,000
Choctaw Roads, MS	3,000,000
City of Clinton Downtown Revitalization, MO	500,000
City of Guin Industrial Commercial Park, AL	150,000
City of Newburgh, NY	350,000
City of Parsons Streetscape Improvements, WV	1,520,000
City of Vermillion Downtown Streetscape Project, SD	500,000
Clark County Fairgrounds Improvements, OH	450,000
Clean Fuel Service Station, NY	320,000
Colchester, VT Route 15 Streetscape and Pedestrian Crossing Signal, VT	250,000
Columbus Train Depot, Columbus, GA	250,000
Connecticut River Scenic Byway, MA	575,000
Construction of an elevated rail corridor from Douglas Avenue to 17th Street North, Wichita, KS	900,000
Construction on Watterson Trail and Plantside Drive, KY	700,000
Corridor Access Management on Route 7/20 Pittsfield/Lenox, MA	190,000
County Highway A, Douglas County, WI	1,950,000
Creation of a pedestrian/bike path, Thompson, CT	150,000
Daniel Webster College, NH	1,000,000
Design and construction of Portzer Road connector, PA	450,000
Downtown Dodge City Core Streetscaping, KS	800,000
Downtown Parking Garage in Windham, CT	500,000
Extension of River Road, KY	500,000
Flagler Drive Improvement Project, West Palm Beach, FL	1,500,000
Fort Eustis Gateway Improvements, VA	850,000
Grand Avenue Traffic Improvements, Grover Beach, CA	300,000
Greenville Borough Streetscape Enhancements, PA	2,000,000
Harden Street, SC	100,000
Highway 165 Stuttgart Railroad Overpass, AR	350,000
Historic District Streetscape and Transportation Improvements, Port Townsend, WA	500,000
Holmes County Trail Enhancements, OH	250,000
Honeybranch Industrial Park Road, Martin County, KY	400,000
Houghton Road Corridor Transportation Initiative, Pima County, AZ	1,000,000
Houston Computerized Traffic Signal System, TX	1,500,000
Hummelstown East Main Street and Walton Avenue Improvements, PA	750,000
I-73, SC	1,250,000
Improvements to Junction Bridge, AR	3,000,000
Inman Parkway Extension, Beloit, WI	500,000
Intersection Improvements near Plano Extension Center, Plano, IL	755,000
Lemon Grove Lighting Project, CA	300,000
Lincoln South and West Beltway, NE	750,000
Logan Southwest Gateway Project, Logan, UT	600,000

Martinsburg Roundhouse Center, WV 680,000
Mason County Tourism Mural Project, WV 100,000
Mount Greylock Scenic Byway Road Improvements, MA 1,000,000
Natchez Historical Trail, MS 200,000
National Guard Armory Road, Haleyville, AL 370,000
New Orleans City Park Roadway Improvements, LA 1,000,000
Newberg-Dundee Transportation Improvement Project, OR 500,000
North Broadway Streetscape Project, CA 100,000
North Hempstead Hybrid Vehicle Fleet, NY 275,000
Old Montauk Highway, NY 300,000
Olmsted Parks Historic Bridges, KY 200,000
Park Forest Street Lighting, IL 250,000
Pedestrian Tunnel and Trail, Stockbridge, GA 530,000
Pedestrian Walkway Project, Calimesa, CA 1,000,000
Pembroke Rail Feasibility Study, NC 150,000
Queen's Medical Center H-1 Off-ramp, HI 2,000,000
Reading River Road Extension, PA 400,000
Reconstruction of Main Street, Duvall, WA 250,000
Resurface San Juan County Road 4990, NM 575,000
Resurfacing and sidewalks Chesnut Street, Bristol, RI 500,000
Richmond Downtown Revitalization, MO 1,000,000
Robeson County Rail Spur Feasibility Study, NC 200,000
Safety improvements Fruit Hill Road, Providence, RI 300,000
Santa Monica Boulevard/Western Intersection Safety Project, CA 155,000
Shelby Intermodal Hub, MT 1,000,000
Sidewalk Enhancement, Buckhannon, WV 50,000
Sidewalk replacement, Superior, WI 525,000
SLU Streetscape Improvements, MO 1,500,000
Snow plows for the Mackinac Island State Park Commission, MI 225,000
Springfield Downtown Streetscape Improvements, MO 1,000,000
SR-154 Memorial Drive, construct sidewalks, GA 500,000
St. Louis Central Business District Street Improvements, MO 250,000
Street Improvements, Lower Moreland Township, PA 110,000
Street Road PA Route 132 Expansion Project, PA 450,000
Swamp Road Improvement Project, PA 900,000
Syracuse Connective Corridor , Syracuse, NY 2,000,000
Tampa Bay regional transportation vision and planning for six county metro area, Pinellas County, FL 100,000
Texas Medical Center Emergency Services Access, TX 750,000
Town of Frisco West Main Street Safety Study, CO 1,000,000
Town of North Kingstown Main Street Improvements, RI 500,000
Twin Peaks Road Corridor Design and Engineering, AZ 500,000
U.S. Route 150 entrance Galesburg Logistics Park, IL 400,000
US 90 Beautification Project, TX 150,000
US Highway 54 Improvements, Kingman County, KS 500,000
Walnut Grove Ave Traffic Light, Rosemead, CA 85,000

Washington State Transit Car Sharing Job Access Project, WA 500,000
West City Park Road Resurfacing, Festus, MO 160,000
Widening of 20th Street and 20th Avenue, Haleyville, AL 1,000,000
Winooski East Bicycle and Pedestrian Path in VT 150,000

FEDERAL LANDS

Within the funds available for the federal lands program, funds are to be available for the following projects and activities:

Project	Amount
14th Street Bridge Corridor Improvements, VA	$800,000
17-Mile Road Reconstruction, WY	530,000
200 Line Road Project, Makah Indian Tribe, WA	1,500,000
A. Teague Parkway Extension, Red River Refuge, LA	1,250,000
Agua Caliente Cultural Museum Road Improvements, CA	750,000
Alaska Trails Initiative, AK	2,525,000
Battlefield Parkway Expansion from Kincaid Boulevard to Route 7, Leesburg, VA	3,000,000
Bear River Migratory Bird Refuge Access Road, UT	750,000
BIA Route 27 Reconstruction, SD	1,000,000
Blackstone River Bikeway, RI	3,650,000
Bluff Street Corridor (SR–18), UT	575,000
Boston Harbor Islands, Accessible Floats and Ramps, MA	1,000,000
Campobello International Park paving of main road and parking area	1,500,000
Chickasaw Museum and Cultural Center, Natchez Trace Parkway, MS	450,000
City of Rocks Back Country Byway, ID	3,000,000
Craig Road Grade Separation, Las Vegas, NV	5,000,000
Crow's Neck Environmental Education Center, Tishomingo County, MS	150,000
Elm Street Garage Improvements, New Bedford, MA	300,000
FDA Access Road, Montgomery County, MD	500,000
FH–24, Banks to Lowman, ID	1,000,000
Forest Road 235 in Magdalena Ridge, NM	1,165,000
Fort Campbell U.S. 41A Force Protection Barrier Project in Fort Campbell, KY	1,600,000
Fort Peck Reservoir Fishing Access Roads, MT	3,000,000
Ft. George Island Traffic Study, FL	300,000
Golden Gate National Parks Conservancy Parks and Trails, CA	600,000
HCRH Improvements, Cascade Locks, OR	500,000
Hoover Dam Bypass Bridge, Arizona and Nevada	1,000,000
Hoover Dam Bypass Bridge, AZ	6,000,000
Hopi/Navajo Route 60 in Navajo County, AZ	1,000,000
Hwy 49–Hwy 7 Connector Road, Leflore County, MS	1,000,000
Hyde Park Information and Transportation Center, NY	1,500,000
Improvements to Turquoise Trail BIA Route 4, AZ	750,000
Interstate 580 Freeway Extension, NV	1,000,000
Jamestown 2007 Project, VA	1,625,000
LA Highway 117 Environmental Assessment, LA	500,000
Lake Mead Parkway Improvements, City of Henderson, NV	3,000,000
Lone Pine Dam, Navajo County, AZ	2,000,000
Lowell Canal Walkway-Red Cross River Reach, MA	1,000,000
Lower Elwha Tribe Access Road Project, WA	1,000,000
Marine Corps Heritage Center Interchange, VA	1,000,000
Navajo Route 13 Rehabilitation, NM	1,540,000
Needles Highway, San Bernardino, County, CA	1,000,000
Northern Virginia Recreation Trail Connections, VA	500,000
Ocean County Route 539 Crossing Resurfacing Upgrade, NJ	250,000
Pikes Peak Erosion and Sedimentation Control, CO	1,200,000
Preston North and South in Richardson County, NE	200,000
Reconstruction of S–323, Alzada to Ekalaka, MT	400,000
Repaving of Delta/Drummond Road, US Forest Highway 35, WI	2,300,000
Riverwalk construction, Lowell, Middlesex, MA	1,000,000
Road to the Lower Elwha Klallam Tribe Reservation, WA	750,000
Salmon Falls Creek Bridge, ID	200,000
San Juan County Road 442 in the Navajo Nation, UT	150,000
San Juan County Road 444 in the Navajo Nation, UT	330,000
San Juan County Road 470 in the Navajo Nation, UT	250,000
SD 40 Resurfacing from Hermosa, South Dakota to Shannon County, Line, DS	3,000,000
Sequoyah National Wildlife Refuge, OK	60,000
SH 145 Dolores to Stoner, CO	4,800,000
Skaitook Lake Access Roads, OK	150,000
South Access to Golden Gate Bridge, CA	1,250,000
South Dupree Road BIA Route 15, SD	500,000
Spirit Lake Reservation Tokio-Ephriam Road, ND	400,000
SR 160 Blue Diamond Highway Widening, Valley View to Rainbow, NV	3,750,000
SR 4–Wagon Trail Realignment, CA	750,000
SR 92/I–15 Interchange, Utah County, UT	1,500,000
SR–92, I–15 Interchange to SR–146, UT	500,000
Stones River National Battlefield Tour Route, TN	500,000
Summit Valley Road, San Bernardino County, CA	1,000,000
Sumpter Valley Railroad Restoration, Baker County, OR	500,000
Taholah School Access Road Project, Quinault Indian Nation, WA	2,500,000
Thomas Cole National Historic Site, NY	745,000
Tohono Oodham highway improvements, AZ	850,000
Trail Forever Golden Gate Conservancy, CA	400,000
ZU.S. 26 Passing Lanes, Wasco County, OR	500,000
US 93 Evaro to Polson Corridor, MT	600,000
Valles Caldera National Preserve, NM	1,475,000
West Vail Pass Vegetated Wildlife Overpass, CO	500,000
Wilson Lake Cedar Creek Bridge Crossing, KS	130,000

INTERSTATE MAINTENANCE DISCRETIONARY

Within the funds available for the interstate maintenance discretionary program, funds are to be available for the following projects and activities:

Project	*Amount*
Bluff Street and I-15 Interchange near St. George, UT	$1,400,000
Cactus Avenue/ I-15 Interchange Project, NV	1,000,000
El Paso's Great Streets, TX	300,000
Fairmont Gateway Connector System, WV	3,000,000
Frontage Road Construction, Lake Charles, LA	1,500,000
Highway 156, Monterey County, CA	500,000
I-10 Cypress Avenue Overcrossing, Fontana, CA	1,000,000
I-15 Bluff Street Interchange, St. George, UT	2,200,000
I-15 Reconstruction Salt Lake County, UT	4,000,000
I-15/Base Line Road Interchange, Rancho Cucamonga, CA	1,000,000
I-20 from MS River Bridge thru Vicksburg, MS	5,500,000
I-205, OR	1,000,000
I-205/Highway 213 Interchange, OR	500,000
I-215/I-515 Interchange, NV	1,000,000
I-235 storm water management project, IA	800,000
I-235/US 54 design and construction and I-235/Central Avenue Interchange, KS	2,000,000
I-25 Corridor through the Pikes Peak Region, CO	1,250,000
I-25, Tramway north to Bernalillo, NM	775,000
I-35/Lone Elm Rd./159th St. Interchange, Olathe, KS	2,600,000
I-40/77 Interchange in Iredell County, NC	1,750,000
I-5 Blaine Exit Interchange and Border Crossing Improvements, WA	2,500,000
I-55 South Nissan Interchange, MS	3,500,000
I-64 Harrison County Interchange study, IN	1,000,000
I-66 Northern Bypass around Somerset, KY	2,000,000
I-66 Pike County, KY	1,000,000
I-66 Somerset to London, KY	2,000,000
I-70 Improvement Project: Frederick, MD	1,000,000
I-70 Interchange Improvements, Bentleyville, PA	500,000
I-75 Corridor Border between Exit 38 and Exit 41, KY	1,000,000
I-80 Colfax Narrows Project, NV	5,000,000
I-93 Interchange, Andover, Tewksbury and Wilmington, MA	1,000,000
I-94: Marquette Interchange, WI	4,000,000
I-95/SC-327 Interchange Improvements, SC	1,000,000
Interchange at Interstate 80 at Fernley, NV	450,000
KY 52 project in the City of Beattyville, KY	700,000
KY 9 Extension in Campbell County, KY	400,000
Laredo - Scott and Sanchez Streets Grade Separation Project, TX	400,000
Lee County I-20 Frontage Road, U.S. 15 to SC-341, SC	400,000
Louise Avenue I-5 Interchange Improvements Project, CA	750,000
Lynnwood I-5 City Center Exit, WA	650,000
Mahoning County US-224, Ohio Safety Improvements, OH	1,000,000
New I-25 Interchange near m.p. 217, NM	2,000,000
Niagara River Gorge, NY	800,000
Ohio River Bridges, IN	2,000,000
Ohio River Bridges, KY	4,000,000

Paseo del Volcan I-40 Interchange, NM 5,000,000
Pearl Harbor Bridge Replacement Project, CT 1,250,000
Pennsylvania Turnpike I-95 Interchange Project, Bucks County, PA 2,000,000
Pickens-Battiest Road, McCurtain County, OK 900,000
Prospect Road Widening, Polk County, GA 650,000
Reconstruct Interchange at South Dakota Highway 42 and Interstate 29, Sioux Falls, SD 3,000,000
Renovate I-65/Brook Street Ramp, KY 500,000
Reyes Adobe Interchange Project, Agoura Hills, CA 850,000
Rock Springs I-80 Marginal, WY 500,000
Route 116 Modernization, ME 500,000
SR 19 Improvements, Morrisville, PA 1,000,000
SR 704/I-5 Cross Base Highway, Pierce County, WA 2,500,000
State Route 180 E Improvements, CA 900,000
Texas DOT - I-69 Environmental Studies, TX 1,750,000
Triangle Project, I-5/SR 18/SR 161, Federal Way, WA 3,000,000
US 67 Super Two Design, La Entrada al Pacifico Trade Corridor, TX 1,250,000
US 68 at Highland Glen Industrial Park in Barren County, KY 200,000
US 77 Highway Overpass Reconstruction, TX 500,000
Widen Route 82 in Norwich, CT 625,000
Widening of Interstate Highway 10, El Paso, TX 1,000,000

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(HIGHWAY TRUST FUND)

The conference agreement provides a liquidating cash appropriation of $36,032,343,903 to pay the outstanding obligations of the various highway programs at levels provided in this Act and prior appropriations Acts, instead of $36,000,000,000 as proposed by the House and $40,194,259,000 as proposed by the Senate.

(RESCISSION)

(HIGHWAY TRUST FUND)

The conference agreement includes a rescission of $1,999,999,000 of the unobligated balances of funds apportioned to the States under chapter 1 of title 23, United States Code, excluding safety programs and funds set aside within the State for population areas. The conferees direct the FHWA to administer the rescission by allowing each State maximum flexibility in making adjustments among the apportioned highway programs.

APPALACHIAN DEVELOPMENT HIGHWAY SYSTEM

The conference agreement provides $20,000,000 for the Appalachian Development Highway System to be allocated for West Virginia Corridor H.

ADMINISTRATIVE PROVISIONS—FEDERAL HIGHWAY ADMINISTRATION

Section 110 includes a provision similar to language proposed by the Senate that modifies the distribution of Federal-aid highway obligation limitation. The House did not include a similar provision.

Section 111 retains the provision, as proposed by both the House and Senate, that allows funds received by the Bureau of Transportation Statistics from the sale of data products to be credited to the Federal-aid Highways account.

Section 112 includes a new provision that establishes an administrative takedown and sets aside funding for activities of the National Highway Traffic Safety Administration. The remaining amounts shall be distributed for the following purposes:

SURFACE TRANSPORTATION PROJECTS

Project	*Amount*
12th Street Flood Prevention Project, Perry Township, OH	$750,000
200 West from Syracuse Road to Midland Drive, Davis and Weber Counties, UT	1,750,000
2nd Street/Andrews Avenue/3rd Street Enhancements, Ft. Lauderdale, FL	500,000
31st Street, Haksell Ave., to O'Connell Rd., Lawrence, KS	800,000
55th Street Bridge Replacement, Plain Township, OH	1,100,000
56th Avenue/Quebec Improvements, Denver, CO	2,800,000
90A Widening, Stafford, TX	1,650,000
90A Widening, Sugar Land, TX	1,475,000
A–B Street NW Corridor Connector, Auburn, WA	1,700,000
Advanced Vehicle Research Center, NC	300,000
Airport Road Expansion, Phase II, Jasper, AL	1,830,000
Airport Terminal Roadway Improvements, Broward County, FL	1,000,000
Alameda Corridor-East, San Gabriel Valley, CA	4,200,000
Alief Community Park Rehabilitation Project, TX	300,000
Alliance for Transportation Research, University of New Mexico, NM	200,000
Atlus Falcon Road Improvements, OK	750,000
American Discovery Trail, Coralville, IA	200,000
Andrews Air Force Base Gateway Beautification, MD	1,250,000
Antelope Valley Transportation Improvements, NE	900,000
Arthur Avenue Retail Market, NY	400,000
Ashburton Avenue Reconstruction, City of Yonkers, NY	800,000
Ashland County, Town of Lapointe, reconstruct Rice street with storm sewer, sidewalk and parking, WI	450,000
Assembly Street Railroad Relocation, SC	1,300,000
Atlantic Avenue Extension, NY	700,000
Austin Road Extension, Prospect, CT	500,000
Austin-San Antonio Regional Commuter Rail Project, TX	2,000,000
Baldwin County Highway 83 Evacuation Route Project, AL	850,000
Baldwin Road, Oakland County, MI	700,000
Baltimore Area Transit System Expansion, MD	750,000
Barnhardt Road Extension, Umatilla County, OR	2,000,000
Bass River Park Gateway, Dennis, MA	1,400,000
Back and Wixom Road/I–96 Interchange, MI	600,000
Beckley Exhibition Coal Mine, WV	650,000
Belleville Road/Ecorse Road Intersection, MI	400,000
Bird Springs Road/Bridge Rehabilitation, AZ	2,000,000
Bob Anthony Parkway, Barnett Res., MS	1,000,000
Bobby Jones/Palmetto Parkway, SC	1,000,000
Borough of Landsdale Street Improvements, PA	500,000
Boston University Infrastructure Investment Research, MA	300,000
Boundary Street Construction, Marlborough, MA	1,600,000
Bourbon County Industrial Park Access Road, KY	600,000
Bridge at 132nd St. and US–69, Overland Park, KS	1,000,000
Bridge Rehabilitation in Excelsior Springs, MO	450,000
Bridge Replacement, Werner Church Road Plain Township, OH	1,000,000
Bridgeton Trail/Park, MO	800,000
Bristol Street Multi-Modal Corridor, CA	600,000
Brooklyn Children's Museum Pedestrian Enhancements, NY	800,000
Brookwood Road Restoration, Halfmoon, NY	1,330,000
Burbank/Sepulveda Boulevards Intersection Improvements, CA	200,000
California University Pennsylvania (CUP) Urban MAG, PA	2,000,000
Calmar Telematics ITS Project, Liverpool, NY	1,250,000
Calumet City Street Resurfacing, IL	400,000
Cape Cod Hyannis Memorial Statue Gateway/Walkway, MA	100,000
Cedar Park RM 1431 Widening Project, TX	500,000
Center for Aquatic Life and Conservation, Baltimore, MD	800,000
Center for Business and Education Park Access Road, VA	600,000
Charleston International Airport Parking Garage, SC	1,000,000
Charlotte County Florida Evacuation Widening, FL	250,000
Chatham Area Transit Job Access Reverse Commute, Savannah, VA	1,000,000
Chicago Department of Transportation Damen/Elston/Fullerton, IL	700,000
City of Ashland Industrial Park Road Construction, OH	300,000
City of Ashland, Pedestrian Infrastructure Improvements, WI	450,000
City of Baytown, Streetscape Project, TX	700,000
City of Elkhart Grade Separation Project, Norfolk-Southern Railroad, IN	200,000
City of Key West Job Access Program, FL	500,000
City of Lawndale Street Improvements, CA	850,000
City of Leander Upgrade FM 2243, TX	500,000
City of Omaha Widening/Improvements to Q Street from 157th Street to 204th Street, NE	1,000,000
City of Presque Isle Public Works Department Capital Improvements, ME	700,000
City of Santa Fe Springs, Los Angeles County, CA	800,000
City of Santa Monica ITS Improvements, CA	350,000
City of Selma Water Avenue Streetscape Improvement, AL	400,000
City of St. Petersburg bicycle master plan, FL	400,000
City of Thornton, Grade Separation Improvements, CO	500,000
Clark County, NV Beltway and Interchanges, NV	150,000
Clifton Corridor Transit and Transportation Improvements, GA	1,000,000
Coalfields Expressway, WV	10,000,000
Cobblestone Landing Restoration, Memphis, TN	2,000,000
College of Southern Idaho Student Safety Initiative, ID	750,000
Colorado Boulevard Connector, CO	2,000,000
Columbus Bypass, MS	3,000,000
Columbus North Aterial Project, NE	500,000
Connecting Road from Route 78 and Lathrop Street to East 2900th Street, Annawan, IL	2,300,000
Construction of K–254, Northwest Bypass in Sedgwic, KS	2,500,000
Construction of USH 8 and Industrial Parkway intersection overpass, City of St. Croix Falls, WI	1,250,000
County Road 19 Improvements, Cherokee County, AL	500,000
Creager Island Bridge Replacement, Wayne County, NY	950,000

Project	Amount
Creation of Pedestrian/bike paths on Route 190 Bridge, Enfield, CT	750,000
Cromwell Industrial Park road construction in Cromwell, CT	500,000
Crooks Road, from 14 Mile Road to Elmwood Road/Meijer Drive, Clawson, MI	2,200,000
Cross Valley Connector, Santa Clarita, CA	1,000,000
Crystal Lake Mitigation, Manchester, NH	300,000
CSAH 82 Victory Extension Project, Stage 3, MN	250,000
CTAA of America Nationwide Joblinks, MA	3,000,000
Culvert Replacement on Roads, AK	750,000
Curry College Area Road Improvements, MA	500,000
Dakota Turkey Plant Access Road US 14 in Huron, SD	500,000
Daytona Avenue Highway Improvements, Penfield, NY	100,000
Dedeaux Road, Gulfport, MS	2,000,000
Delaware Welfare to Work Program, DE	275,000
Denton I–35E Bridge at Loop 288/U.S. 77, TX	2,000,000
Des Moines (Principal) Riverwalk, Des Moines, IA	750,000
Design and construction of union street rail road underpass, West Springfield, MA	900,000
Development and construction of SR37/SR145, IN	500,000
Downtown Multimodal Parking System, Huntsville, AL	1,000,000
Downtown Road Improvement, Indianapolis, IN	700,000
Dualization of MD 404, MD	2,000,000
Dualization of US 113, MD	2,000,000
Dublin Boulevard and Dougherty, City of Dublin, CA	300,000
E. Genesee Avenue streetscape project, Saginaw, MI	1,000,000
East Lake Sammamish Parkway, Sammamish, WA	750,000
Eastern Hills Corridor road construction, Clarence, Erie County, NY	900,000
Edith Boulevard Improvements, Bernalillo County, NM	3,000,000
El Camino East/West Corridor, LA	400,000
Eleven Mile Road, Berkley, Oak Park, and Huntington Woods, MI	1,000,000
Environmental Shield, Brooklyn Queens Expressway, NY	650,000
Essential road improvements, Desert Hot Springs, CA	1,000,000
Evacuation Plan Funding, LA	1,000,000
Evanston, IL:CTA viaducts reconstruction, IL	750,000
Evansville Indiana Downtown Traffic Study, IN	200,000
Expansion of access and parking adjacent to Post Office, City of Jacksonville, AL	110,000
Expansion of Highway 431, Town of roanoke, AL	150,000
Extend I–759 East to US Highway 278, Gadsden, AL	2,800,000
FAST–TRAC SCATS signal installations, Oakland County, MI	1,000,000
Flamingo Road Reconstruction, Laguna Beach, CA	2,000,000
Fort Bragg Bike Path, CA	750,000
Fort Campbell Variable Message Board/Directional Signs in Fort Campbell, KY	1,100,000
Fort Worth Flood Safety, TX	800,000
Fort Worth Transportation Improvement Projects, TX	2,000,000
Fortificaiton Street Rehabilitation, Jackson, MS	3,000,000
Fourth Street Bridge, San Francisco, CA	1,500,000
Fredericksburg Road–Medical Drive, San Antonio, TX	500,000
Freight Rail Improvements, New Bedford, MA	500,000
Fresno State Route 41 Off ramp Improvements, CA	1,500,000
Galveston Rail Trolley Extension to Seawall Boulevard, TX	750,000
GEARS Intelligent Transportation Systems, PA	400,000
Geneva Road (SR–114) from Orem 1600 North to University, Provo, UT	500,000
Going Street Overcrossing Project, OR	1,000,000
Grand Teton Pathways Project, WY	4,000,000
Great River Road, Renovating Old Fort Madison, IA	25,000
Great River Road, Scenic Byways, Montrose, IA	50,000
Greater Nanticoke (Luzerne Co, PA) Connector Road, PA	750,000
Greenbridge Transportation Improvements, White Center, WA	1,500,000
Greene Co. Demonstration Bridge, MO	148,000
Greene County, Georgia Conversion if I–20 and Carey Station, GA	200,000
Grenada Lake Bridge, Grenada, MS	200,000
Grenada Lake Bridge, MS	500,000
Guaranteed Ride Home Prog. Santa Clara County, CA	300,000
Hapeville rail facilities and corridor, GA	3,000,000
Hartford Avenue Improvements to Aid Pocasset River Drainage, RI	1,000,000
Hattiesburg Intelligent Transportation System, MS	500,000
Highway 100 Trail Bridge and 26th Street Pedestrian Bridge, St. Louis Park, MN	800,000
Highway 149 Improvements, Richland, MS	1,700,000
Highway 21 extension, Talladega, AL	500,000
Highway 25 to MS Highway 471 in Flowood, MS	1,750,000
Highway 278 Corridor, Beaufort County, SC	250,000
Highway 412 Mountain Home to Ash Flat, AR	700,000
Highway 44 Bridge, Marion County, MS	750,000
Highway 45 Bypass, Columbus, MS	600,000
Highway 49 Widening from the University of North Carolina to the Yadkin River Bridge, Charlotte, NC	5,000,000
Highway 49/Highway 7 Connector Road, Greenwood, MS	1,500,000
Highway 6 Bypass, TX	2,250,000
Highway 6 from Batesville to Clarksdale, MS	3,250,000
Highway 63: Interstate 55–Jonesboro, AR	2,000,000
Highway 7 Improvements, Blue Springs, MO	2,550,000
Highway 71: Texarkana—DeQueen, AR	2,000,000
Highway 77 Rail Grade Separation, Marion, AR	350,000
Highway 82 Frontage Roads, Leland, MS	500,000
Highway-rail grade crossing bypass, Silver Spring, NY	600,000
Hike and Bike Trails, Burleson, TX	250,000
Historic Court Square Improvements, Charlottesville, VA	140,000
Hoboken Waterfront Walkway along North Sinatra Drive, NJ	400,000
Honolulu Ways to Work, HI	250,000
Hossier Heartland Highway, Cass/Carroll County, IN	1,300,000
Hossier Heartland Highway, IN	1,500,000
Hoover Nature Trail, Ely, IA	100,000
Houston Flood Improvement Projects, TX	1,500,000
Houston Road Improvements, TX	750,000
Howell, Shannon, Carter and Butler Counties, Route 60, MO	500,000
Hudson River Waterfront Walkway, NJ	750,000
HWY 133 from Valdosta to Moultrie to Albany, GA	1,000,000
I–15 Layton Interchange, Layton, UT	1,500,000
I–15 North & Commuter Rail Coordination study; Davis County, UT	1,500,000
I–15 (Falchion Rd)/SR 18 Interchange, CA	1,000,000
I–20 Corridor Program, Lincoln Parish, LA	600,000
I–26/US 1 Airport Intermodal Connector, Lexington, SC	750,000
I–275/M–5 corridor economic development study for Oakland and Wayne Counties by the I–275/M–5 Transportation Alliance, Farmington Hills, MI	500,000
I–4 Crosstown Connector, FL	850,000
I–4 Land Acquisition (Orlando Metropolitan Area), FL	1,500,000
I–40/Arizona 95 Interconnect, Needles, CA	2,000,000
I–49 North, LA	500,000
I–5 Freeway/Highway 43 Freeway Ramp and Street Capacity Improvements, OR	2,000,000
I–5 Sorrento Valley/Genesee Avenue, San Diego, CA	600,000

Project	Amount
I69, Indianapolis to Evansville, IN	1,450,000
I–74 Northern Beltway, Eastern Section Extension, Winston-Salem, NC	500,000
I–76 Corridor Improvements from Ft. Morgan to Nebraska state line, CO	1,600,000
I–79 Parkway West ramp construction and widening, PA	500,000
I–90 Burma Avenue Overpass, Gillette, WY	1,000,000
I–94 Westbound Reconstruction, ND	1,000,000
I–Go Carsharing Project, Chicago, IL	400,000
Illinois Trails, IL	2,000,000
Improve Millstonebrook Road Southampton, NY	500,000
Improvements to Alton Traffic Rotary, NH	250,000
Improvements to Mill Bridge, Somers, CT	2,000,000
Improvements to Raffia Road in Enfield, CT	900,000
INAAP Re-use Authority Project, IN	1,500,000
Indian River Bridge Inlet Replacement, DE	3,000,000
Indianapolis Downtown Road Improvements, IN	1,000,000
Infrastructure Development and Highway/Street Access Improvements, Rural Enterprises, OK	200,000
Integrate Traffic Light Coordination, Houston, TX	750,000
Intelligent Transportation System, Ventura County, CA	700,000
Interchange construction on I–94 at 21 Mile Road, Chesterfield Township, MI	600,000
Intermodal Freight Facilities, Port of Walla Walla, WA	1,500,000
Intermodal Infrastructure Enhancement Project, Port of Olympia, Olympia, WA	1,000,000
Intersection at I–49 and Highway 190, St. Landry Paris, LA	1,000,000
Intersection Improvements Route 9/Oak, Natick, MA	1,400,000
Interstate 40/Highways 25/64 Interchange, AR	750,000
Interstate 5 Blaine Exit Interchange in Blaine, WA	500,000
Interstate 5 Trade Corridor, OR	800,000
Interstate 69, TN	1,900,000
Interstate 93 Water Quality Study, NY	1,250,000
Interstate-235 Reconstruction Project, IA	600,000
Isle of Wight Emergency Signals, VA	300,000
Issac Middle School Pedestrian Bridge, AZ	700,000
ITS St. George Area, UT	750,000
Jackson Road right-of-way and reconstruction, MI	400,000
Jacksonville Transportation Authority, Soutel Road Improvements, FL	3,000,000
Jennie Barker Rd./Mary St./K–156 Intersection Reconfiguration, Finney County, KS	1,250,000
Jersey City Signalization Improvements, Jersey City, NJ	800,000
Johnson County, East/West Corridor, Phase I, IN	1,000,000
Joplin Downtown Streetscape Development, MO	1,000,000
Joplin West Bypass Study, MO	120,000
K–18 4-lane Improvement, Preliminary Engineering and Design, Riley County, KS	1,250,000
Kalkberg Commerce Park, NY	725,000
Kendall Square Transportation Improvements, MA	1,000,000
Keystone Drive Reconstruction and Upgrade, AK	1,000,000
KY1494 widening in Bullitt County, KY	150,000
LA 1 Replacement, LA	1,500,000
LA Highway 28 from Ft. Polk to Alexandria, LA	750,000
La Velle Road Reconstruction, Alamogordo, NM	1,000,000
Lagoon Pond Inlet Bridge, Martha's Vineyard, MA	800,000
Lake County Passage, IL	975,000
Lake County Passage, Lake County IL	1,300,000
Lake Falcon Improvements Project, TX	600,000
Lake Road Seaway Trail, Webster, NY	450,000
Latson Road/I–96 Interchange Brighton, MI	300,000
Leeville Bridge, LA	800,000
Lenexa Prairie Star Parkway, KS	250,000
Lexington Connector, SC	893,000
Liberty Street Reconstruction, McDonald, PA	100,000
Library Lane Project, NY	800,000
Lincoln Bypass, CA	700,000
Lincoln South Beltway, NE	2,000,000
Little Bay Bridges/Spaulding Turnpike, NH	2,500,000
Little Sugar Creek Greenway, NC	500,000
Livernois Road, from South Boulevard to Avon Road, Rochester Hills, MI	1,300,000
Long Branch Village Center Access Improvements, Silver Spring, MD	750,000
Longfellow Bridge Rehabilitation, Boston, MA	700,000
Main Street Extension Realignment, Freemansburg, PA	800,000
Malden Industrial Park Improvement Programs, MO	800,000
Maple Road lane addition and road improvements between Drake and Beck, MI	500,000
Marin Novato Narrows Highway 101 Corridor Widening, CA	850,000
Maryland 4 Suitland Parkway Exchange, MD	2,000,000
Maryland 5 at Maryland 373, MD	2,500,000
MD 246, MD235 to Saratoga Drive, MD	1,000,000
MD45, Cavan to Ridgely Road, MD	750,000
Mechanical Civil Aerospace Engineering Complex, Rolla, MO	2,000,000
Medford Downtown Traffic and Pedestrian Redevelopment Project, MA	1,000,000
Memorial Drive Improvements, Lancaster, OH	950,000
Meredith Village Improvement Project, NH	800,000
Mexico Branch Line Improvements, MO	2,000,000
Middle Reservation Road improvements, Wyoming County, NY	1,000,000
Midlothian Road Widening and Signalization Project, IL	450,000
Midtown Greenway, Minneapolis, MN	1,500,000
Milwaukee Intermodal Terminal, WI	2,000,000
Misericordia Job Program, IL	200,000
Missouri Avenue Reconstruction, Keokuk, IA	350,000
Monaville Road Bike Path Tunnel, IL	800,000
Montana Automated Crash Notification Research, MT	1,000,000
Monterey Bay Sanctuary Scenic Trail, CA	500,000
Montour Trail completion project, PA	250,000
Morgan County Bridges Improvement Project in Morgan County, KY	1,000,000
Morgan State University Transportation Center, MD	500,000
Mountain Avenue Duarte Road Realignment, Duarte, CA	500,000
MSU South Entrance Loop, MS	1,000,000
Myrtle Avenue Streetscape Project, Monrovia, CA	100,000
N.A. Sandifer Highway, Lincoln County, MS	1,250,000
Navy Yard Reconstruction of Broad Street Quaywall, PA	900,000
Nebraska Highway 35, NE	5,000,000
New Hampshire Route 111A Intersection Safety Improvements, NH	750,000
New Haven Missouri River bore project, MO	1,000,000
New Mexico State University Bridge Research Center, NM	200,000
Ninth Street Arterial Connector, Prineville, OR	500,000
Norris Viaduct Project, WY	800,000
North Cass Parkway Corridor Improvement from U.S. 71 to Mullen Road, Belton, MO	2,000,000
North County 1–5 interchanges and Arch Sperry Road, San Joaquin County, CA	3,000,000
North Oak Corridor Improvement Project, MO	2,000,000
Northern Corridor Widening, St. George, UT	500,000
Northside Dr, Clinton, MS	2,500,000
North-South Wacker Drive, Chicago, IL	350,000
Northwest Butler Transportation Improvement District, Butler County, OH	4,000,000
Northwestern Highway Extension, Oakland County, MI	1,500,000
Ohio to Erie Trail/Camp Chase Segment, OH	2,000,000
Old Orchard Rd Overpass, MO	3,000,000
Orange County SR50 Road Improvements, FL	250,000
Orange County, FL	400,000

Project	Amount
Overpass for SH146 at Wharton Wheems, La Porte, TX	1,475,000
PA 901/PA61/PA54 Connector, Northumberland, PA	1,500,000
PA–10 widening, New Morgan Borough, PA	5,000,000
Paducah Waterfront Development Project in Paducah, KY	2,300,000
Palmer Canyon Road Improvements, Los Angeles County, CA	700,000
Park Boulevard drainage improvements, Pinellas Park, FL	4,500,000
Park Street Streetscape Improvements, Alameda, CA	700,000
PATCO Fleet Upgrade, NJ	3,000,000
Pecue Land Interchange and Realignment, LA	225,000
Pedestrian Walkway at SCSU and Claflin University, SC	1,700,000
Pelzer Street Reconstruction, City of Winona, MN	250,000
Penn and Smallman Street Gateways Project, PA	345,000
Pittsfield Downtown Streetscape Plan, MA	1,850,000
Planning, preliminary engineering, land acquisition, and construction to widen I–75 from Eight Mile Road to M–59, MI	2,000,000
Plough Boulevard Interchange at Winchester Road, Memphis, TN	1,000,000
Port of Albany Operational Improvements, Albany, NY	650,000
Port of Siuslaw Infrastructure Improvements, OR	500,000
Port of Stockton, Daggett Road, Stockton, CA	500,000
Portland & Western Rail Bridge Replacement Project, Albany, OR	850,000
Ports to Plains, US 287 Corridor, CO	3,000,000
Powell County Bridge Replacement, MT	200,000
Prairie Star Parkway/K–7—Maize Blvd., Lenexa, KS	800,000
Priority Projects, South Dakota Department of Transportation	750,000
PVTA JARC, MA	400,000
Quakertown Rail Investment Study, PA	300,000
Queens Plaza Rebuilding Project, Queens, NY	800,000
Rail right-of-way purchase, City of Spooner, WI	155,000
Railroad Avenue Improvement, LA	600,000
Ram Island Road Improvements, Shelter Isle, NY	300,000
Ranch Vista Boulevard widening project, Palmdale, CA	545,000
Ranchero Road Grade Separation, Hesperia, CA	3,000,000
Ravenswood Road Improvement Project, East Palo Alto, CA	500,000
Re-alignment and Reconstruction of Somerset Street, ME	100,000
Realignment, Widening and Reconstruction of Prospect Street in Hartford, CT	2,000,000
Reconstruct 3rd Street, City of Wausau, WI	1,500,000
Reconstruct Barnes Street/Eastern Avenue, Rhinelander, WI	750,000
Reconstruction of Eleven Mile Road, MI	650,000
Reconstruction of Main Street in Tappan, NY	650,000
Reconstruction of Main Street, Stoneham, MA	450,000
Reconstruction of Old Highway 77, Geary County, KS	400,000
Reconstruction of University Drive from the Crittenton Hospital Medical Center east to Main Street (M–150) in the City of Rochester, MI	2,000,000
Rehabilitate Route 1(a) Bridge, Hampton, NH	850,000
Renovations on Dixon Road, City of Cocoa, FL	600,000
Renovations on Industry Road, City of Cocoa, FL	400,000
Repair of Route 9 Bridge and Vanderbilt Wall, NY	1,100,000
Replace Ash Street/Pillsbury Road Bridge, Londonderry, NH	500,000
Replace Milford Road Bridge, Anderson, SC	500,000
Replacement of Makakupaia Stream Bridge, Molokai, HI	750,000
Reunion Parkway Environmental Assessment, Madison, MS	500,000
Richmond Bypass, McHenry, IL	650,000
Rio Grande Bike Trail, Garfield County, CO	1,000,000
RITC Mass Country Roads, MA	650,000
Road/Overpass Improvements at Adriaen's Landing and CT Science Center, Hartford, CT	4,000,000
Roadway improvements to Old Laurens Road, Laurens, SC	250,000
Rochelle Park and Paramus, Bergen County, NJ	1,300,000
Route 10/202-Southwick, MA	1,800,000
Route 112 Scenic Byway, MA	75,000
Route 195 Corridor Study, Tolland, CT	300,000
Route 23 Hardyston Road Improvements, NJ	1,700,000
Route 31 Ashby State Road, Fitchburg, MA	750,000
Route 5 and Route 10 Bernardston, MA	1,000,000
Route 7 Leesburg Bypass Project, Leesburg, VA	500,000
Route 78 widening (Transit Road) from Genessee Street to Main Street, Erie County, NY	900,000
Routes I–295 and 42 Missing Moves, Camden County, NJ	2,000,000
Rural dock and waterfront development projects, AK	2,000,000
S.R. 5 Corridor Improvements (W. 12 St.), PA	800,000
Sacramento Buses and Bus Facilities, CA	250,000
Safer Roadside Barriers, NE	1,000,000
Safety Improvements to Third Street, Suffield, CT	400,000
Sakonnet River Bride, RI	2,000,000
San Francisco 19th Avenue Improvements, CA	1,000,000
Saratoga RR Overpass, Simpson County, MS	1,250,000
School Pedestrian Safety, Alameda County, CA	650,000
SCRRA Highway/Rail Sealed Corridor Program, CA	500,000
SE Connector/Martin Luther King, Jr. Parkway East, Des Moines, IA	3,000,000
Second Street Bridge Replacement project, MO	864,000
Semmes Street Project, East Point, GA	500,000
Senior Transportation Project, OH	800,000
SH71–FM20 to .25 m west of SH304 Bastrop City, TX	600,000
Sierra College Boulevard/I–80 Interchange, Rocklin, CA	300,000
Siesta Gardens Alternative Access Road, VA	500,000
Sistrunk Boulevard Streetscape Improvements, Ft. Lauderdale, FL	750,000
Somerset Downtown Revitalization Project, KY	800,000
South Boulevard Signal System, NC	700,000
South Capitol Street Improvements, MD	2,250,000
South County Commuter Rail, RI	4,000,000
South Frontage Road, Vicksburg, MS	2,000,000
South Lawrence Traffic Way, City of Lawrence and Douglas County, KS	1,500,000
South Medford Interchange, OR	350,000
South Road Mitigation, Londonderry, NH	250,000
South Valley Connector Project, ID	2,000,000
Southern California High Speed Raid Grade Crossing Improvements, CA	2,000,000
Special Services Transportation Agency, Chittenden County, VT	300,000
Springfield Evening Bus Service, IL	375,000
SR 146, Saint Rose Parkway (Phase 2) Reconstruction and Widening, NV	3,000,000
SR 171 at Rocky Comfort Creek, GA	1,000,000
SR 247/SR1012 Valley View Business Park, Lackawanna County, PA	2,500,000
SR 4 widening and bridge replacement, Brentwood, CA	200,000
SR 62 Lloyd Expressway Vanderburgh County, IN	750,000
SR 67 and SR 605 from I–110 to US 49, MS	500,000
SR–56/I–5 Northbound Widening Project, San Diego, CA	400,000
SR–91 Chokepoint Elimination in Corona, CA	1,000,000
St. Francois, Madison and Wayne Counties, Route 67, MO	500,000
St. Georges Avenue Improvements, Roselle/Linden, NJ	500,000
St. Louis and Garden District Community Transportation Improvement Initiative, MO	3,000,000

Project	Amount
St. Louis Science Center Streetscape Improvements, MO	750,000
St. Louis Zoo Public Safety and Transportation Improvements Project, MO	5,000,000
Star Landing Road Corridor, Desoto County, MS	1,500,000
State Road A1A S–Curve Improvement project, Deerfield Beach, FL	2,000,000
State Route 79 Realignment, Riverside County, CA	700,000
State Street Redesign, Madison, WI	1,000,000
Steger Street Improvements, IL	400,000
STH 29/WSH 51, Marathon County, Wausau, WI	3,000,000
Subway Hub Access, Museum of Arts and Design, NY	75,000
Sybiak Farm Mitigation, Derry, NH	300,000
Tacoma Rail Mountain Division Rail-line Improvements from Frederickson to Morton, WA	1,500,000
Tanana River Bridge Replacement, AK	3,000,000
TH 23 Paynesville Bypass, MN	1,000,000
Third Avenue resurfacing Project, Ranburne, AL	40,000
Tibbee Road Project, Clay County, MS	100,000
Toa Baja Recreational Trail Design and Construction, PR	2,000,000
Toby Tubby Parkway Oxford, MS	100,000
Tolt Bridge Replacement, King County WA	250,000
Tower Bridge Pedestrian/Bike Improvements, CA	500,000
Towpath Trail to Downtown Cleveland, OH	800,000
Traffic Calming Project in Plainsboro, NJ	700,000
Traffic congestion mitigation at I–210 and Highway 14, Lake Charles, LA	1,220,000
Traffic study for Mystic Seaport, Stonington, CT	500,000
Trailways Station Revitalization and Visitors Center, GA	500,000
Transportation Access, Northlake, IL	500,000
Transportation and Engineering Research Facility, Columbia, MO	2,000,000
Transportation Grants for Evacuee Impacted Communities, LA	1,500,000
Transportation Infrastructure Improvements and Expansion for Green River, WY	600,000
Trinity River Visions Neighborhood Linkage, TX	200,000
Truman Boulevard Feasibility Study, MO	600,000
Truman Boulevard Planning Improvements to I–670, MO	500,000
Trump Avenue/Georgetown Street Canton Township, OH	1,100,000
Trunk Highway 610/10, MN	1,000,000
TTC–69 Environmental and Route Location Studies, TX	700,000
TTI Bryan-College Station ITS pilot for mid-size studies, TX	400,000
Tucson Wash Crossings Improvements, AZ	100,000
Turnpike Improvements Project at I–95 and State Route 1, DE	2,000,000
U.S. 12 Improvement Study, Saline, Washtenaw, MI	600,000
U.S. 20 Toledo's Greenhouse Row, OH	500,000
U.S. 26–287, Dubois to Moran Junction, WY	2,000,000
U.S. 35 Interchanges in Green County, OH	3,000,000
U.S. Highway 11 in St. Tammany Parish, LA	2,000,000
U.S. Highway 67 Eastern Outer Road in Desloge, MO	1,750,000
U.S. Highway 87 Improvements, MT	1,400,000
U.S. Route 13 Corridor Development, PA	9,00,000
Union Town to Brownsville—Mon Fayette Expressway, PA	2,000,000
University District Improvements, Phases 2 and 3, Spokane, WA	1,500,000
University of Arizona Science Center Bridge, AZ	3,500,000
University of South Alabama Transportation technology Center, AL	10,000,000
University Parkway Project, Evansville, IN	1,600,000
UNMC Relocation of Saddle Creek Road, NE	1,000,000
UP/Sunset Avenue Grade Separation Banning, CA	1,000,000
Upgrade of Route 60 and Route 22/30 Interchange, Allegheny County, PA	750,000
Upgrade Wells Highway/Sheep, Farm Road, Oconee, SC	250,000
Upgrades to Maple Street Bridge, Mainstee, MI	345,000
Upgrades to U.S. Rt. 30, City of Wooster, OH	750,000
US 167 Extension to LA 335, Vermillion Parish, LA	280,000
US 22 to I–79 Southern Beltway Project, Allegheny County, PA	2,400,000
US 278 in Beaufort County, SC	2,000,000
US 287 Corridor construction and repaving, CO	2,400,000
US 31, St. Joseph and Marshall Countries, IN	2,700,000
US 35 Interchange W/I–64 Paving and Bridges, WV	2.350,000
US 6 Carbon County, UT	500,000
US 61 Fort Madison Bypass, IA	2,975,000
US 64/State Route 15, TN	4,500,000
US 67 Marfa Reliever Route, TX	510,000
US 80/SR26 Bridge at Ogeechee River, GA	800,000
US 87 Feasibility Study, TX	250,000
US Highway 51—Highway 43 Connector Road Canton, MS	4,000,000
US 14/18 and SD34 ''S'' Curve Underpass, Pierre, SD	2,000,000
US–34 Corridor Missouri River Bridges Pair, NE	1,500,000
US 401 Harnett and Cumberland Counties, NC	400,000
US–54 (Kellogg Rd.) from I-135 to K–96, Wichita, KS	1,000,000
US 59 at Grand Parkway overpass in Sugar Land, TX	1,850,000
US–95, Worley North, ID	2,000,000
USH2 Improvements, Ashland County, City of Ashland, WI	1,800,000
UW Superior/UM Duluth Maritime Research, WI	2,000,000
Village of Matteson Safety Upgrades, IL	750,000
Virgnia Tech Transportation Institute Vehicle and Roadside Safety Product Development, VA	2,000,000
W. Smith Road Reconstruction, City of Medina, OH	750,000
Wadsworth Interchange/State Highway 128, CO	1,500,000
Walden Point Road, AK	1,000,000
Walnut Street Route 98 Oak Street, Genesee County, NY	600,000
War Memorial Hospital Infrastructure, WV	500,000
Washington St., Greenville, MS	1,250,000
Washington State Produce Rail Car Program, WA	1,000,000
Water main, sewer and street improvements, City of Barron, WI	2,100,000
Waterfront Parking Garage, Camden, NJ	800,000
Waterfront Redevelopment Project, Bellingham, WA	500,000
Waterfront Walkway 12th Street to 10th Street along North Sinatra Drive, Hoboken, NJ	1,000,000
Weathersfield US 422 Widening, Trumbull Co, OH	800,000
West Bypass Study City of Joplin, MO	120,000
West Vancouver Freight Access Project, Port of Vancouver, WA	2,300000
West Virginia Route 10, Logan County, WV	5,000,000
Wickiup Junction Grade Separation, Deschutes County, OR	1,000,000
Widen Route 50 from Route 2 to Poland Road, Fairfax, VA	2,300,000
Widen Route 7 west of Tysons Corner, VA	1,400,000
Widen SR 86 Sells, AZ	650,000
Widening of Gratiot Avenue from 24 Mile Road to 26 Mile Road, Macomb County, MI	400,000
Wikck's Lake bicycle and pedestrian trail, Farmville, VA	150,000
Wildcat Glades Conservation & Audubon Nature Center & Trail, MO	1,000,000
Wiliamsburg bridge plaza improvement, Brooklyn, NY	250,000
Wilson Street Bridge land acquisition and design, Batavia, IL	1,000,000
WINR Donated Wheels Program Expansion, WI	100,000
Wisconsin Statewide JARC	1,000,000
Wyoming Statewide ITS	1,700,000
Yakima Grade Separations, WA	2,500,000
Zora and Main Street Interchange, Joplin, MO West	5,880,000

Transportation Assistance for Hurricane Impacted Communities in Louisiana.—The conference agreement provides $1,500,000 to be

made available as a grant to the Louisiana Department of Transportation and Development to establish a program under which the Louisiana Department of Transportation and Development shall provide grants to parish and municipal governments in the State of Louisiana that experience a significant spike in population of at least 10 percent because of an unexpected influx of hurricane evacuees, as determined by the Louisiana Department of Transportation and Development, to quickly implement smart and innovative plans to alleviate traffic congestion and to address increased transportation demands in the affected communities.

Illinois Trails.—The conference agreement provides $12,000,000 to the Illinois Department of Transportation (IDOT) for various transportation enhancement projects throughout the State. The conferees expect IDOT to provide funding to the following projects: Springfield Interurban Trail, Urbana to Danville Trail, Galena River Trail, Camp Sacajawea Trail, and the Genoa Route 66 Prairie Trail.

HIGHWAY PRIORITY PROJECTS

Section 113 includes a new provision that makes certain projects and activities eligible to receive fiscal year 2006 grants.

Section 114 retains the provision, as proposed by the Senate, that allows Nevada and Arizona to reimburse debt service payment on the Bypass Bridge at Hoover Dam project with future apportionments, in accordance with title 23, United States Code. The House did not include a similar provision.

Section 115 includes a provision similar to language proposed by the Senate that exempts over-the-road bus and public transit vehicles from axle weight limitations.

Section 116 retains the provision, as proposed by the Senate, that provides access for solid waste vehicles to a ''transit only'' ramp in Washington State following the completion of necessary safety improvements to the ramp. The House did not include a similar provision.

Section 117 includes a new provision that designates the name of a Michigan highway.

Section 118 includes a new provision that modifies the designation of an intelligent transportation systems project in Public Law 108–7.

The conference agreement deletes a provision proposed by the Senate that would have prohibited funding from being used for development or dissemination of any programmatic agreement making the Interstate eligible under the National Register of Historic Places.

FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

MOTOR CARRIER SAFETY OPERATIONS AND PROGRAMS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

The conference agreement includes a liquidation of contract authorization and a limitation on obligations of $213,000,000 for the operating expenses of and motor carrier safety research by the Federal Motor Carrier Safety Administration (FMCSA), instead of $215,000,000 as proposed by the House and $211,400,000 as proposed by the Senate. The conference agreement provides funding in the following manner:

	Conference level
Operating expenses	$144,475,000
Research and technology	10,084,000
Information management	42,092,000
Regulatory development	10,414,000
Outreach and education	4,000,000
PRISM operations	935,000
Commercial motor vehicle operators grants	1,000,000

Outreach and education.—The conference agreement provide a total of $4,000,000 for outreach and education. Of this amount, the conferees direct that no more than $100,000 shall be for the ''safety is good business'' program, no less than $1,000,000 shall be used to increase safety belt usage among commercial motor vehicle drivers, no less then $500,000 shall be for the share the road safely program, and no less than $1,000,000 shall be for household goods outreach. The conferees also provide within the funding for outreach and education $150,000 to continue the motorcoach transportation service selection program and $390,000 for the telephone hotline.

The conference agreement also prohibits any funds relating to outreach and education from being transferred to another agency.

The conference agreement retains language proposed by the Senate directing FMCSA to provide at least two updates to the House and Senate Committees on Appropriations during fiscal year 2006 on the transition of the share the road safely program from the National Highway Traffic Safety Administration (NHTSA) to FMCSA, as well as the status of the two planned enforcement/media waves. The conferees also direct NHTSA to return to FMCSA the one FTE that had been detailed from FMCSA to help oversee the share the road safely program.

Research and Technology.—The conference agreement includes $10,084,000 for research and technology and stipulates that the funds shall be available until September 30, 2008.

Within the funds provided for operating expenses, the conference agreement includes funding for the following activities:

Salaries and benefits	$91,746,000
Travel	14,087,000
Transportation	242,000
Communications, rent, and utilities	515,000
GSA Rent	10,887,000
Printing	530,000
Other services	17,551,000
Supplies	1,357,000
Equipment	3,687,000
Working capital fund	3,873,000

New entrant program.—The conference agreement provides a total of $2,000,000 for the new entrant program for oversight and other Federal responsibilities. This funding level is

Project	*Amount*
Briggs- DeLaine-Pearson Connector, SC	$2,000,000
City of Monticello sidewalks and bikeways, GA	500,000
City of Sylvester streetscape, GA	500,000
Construction of new roads at University Park, PA	1,000,000
County Road 390 Widening Project, FL	1,000,000
Detroit Area Regional Transportation Authority, MI	1,500,000
I-40 and Morgan Road Interchange Improvements, Oklahoma City, OK	500,000
I-40 reconstruction, I-240 E to Choctaw Road, OK	500,000
I-405/Beach/Edinger Interchange, CA	1,000,000
I-73 Corridor project from North Carolina State line to Myrtle Beach, SC	800,000
I-94 Reconstruct and Widen, Kalamazoo, MI	1,000,000
Intelligent Transportation System, Monroe County, NY	1,500,000
John Street Extension, Henrietta, Monroe County, NY	1,500,000
Maritime Guaranteed Loans (Title XI)	5,000,000
MN Valley Regional Rail Authority Track Rehab	500,000
Neighborhood Initiative, Beloit, WI	500,000
North Rhett Boulevard Extension, Charleston, SC	200,000
Olympia Intermodal Infrastructure Enhancement, WA	1,000,000
Pedestrian Connection Project, Greenport, NY	500,000
Promenade Street Improvements, Mason County, IL	500,000
Route 22 Sustainable Corridor, Somerset County, NJ	1,000,000
Springdale Cemetery, Peoria, IL	500,000
State Route 60/Potrero Road Interchange, Beaumont, CA	1,000,000
STRA3P Phase II, IA	1,000,000

sufficient to support the existing on-board staffing for fiscal year 2006. An additional $29,000,000 is provided for state grants under the motor carrier safety assistance program.

Commercial vehicle analysis reporting system (CVARS).—Under the recently enacted reauthorization of motor carrier safety programs, no funding is provided within this limitation for CVARS. However, the conferees note that funding is available within motor carrier safety grants for the FMCSA to make grants to, or enter into contracts with, states, local government, or other persons for CVARS.

MOTOR CARRIER SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

The conference agreement provides a liquidating cash appropriation and a limitation on obligations of $282,000,000 for motor carrier safety grants, instead of $286,000,000 as proposed by the House and $278,620,000 as proposed by the Senate.

The conference agreement provides funding for motor carrier safety grants as follows:

	Amount
Motor carrier safety assistance program	$188,000,000
Border enforcement grants	32,000,000
Performance and registration information system management grant program	5,000,000
Commercial driver's license (CDL) program improvement grants	25,000,000
Commercial vehicle information systems and networks deployment	25,000,000
CDL information system modernization	5,000,000
Safety data improvement grants	2,000,000

The conference agreement directs that $29,000,000 of the funds provided for the motor carrier safety assistance program shall be distributed as grants to States and local governments for new entrant motor carrier audits.

ADMINISTRATIVE PROVISIONS—FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION

Section 120 retains the provision as proposed by the House and the Senate that subjects funds appropriated in this Act to the terms and conditions of section 350 of Public Law 107–87, including that the Secretary submit a report on Mexico-domiciled motor carriers.

The conference agreement deletes a provision proposed by the Senate that prohibited using funds in this Act to implement or enforce any provision of the Final Rule issued on April 16, 2003, as it applies to operators of utility service vehicles and motion picture and television production drivers working at a site within a 100 air mile radius of the reporting location.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

As noted in both the House and Senate reports, the lack of detail and specificity in NHTSA's fiscal year 2006 budget justification has put at risk the House and Senate Appropriations Committees' ability to glean the information necessary to make informed decisions about the Nation's highway traffic safety programs. To ensure that the Committees have the information necessary to invest scarce Federal resources wisely, the conferees direct NHTSA to provide detailed information regarding requested increases and reductions to each program, project or activity outlined in the budget request. In particular, for each program, project or activity, the conferees direct NHTSA in its fiscal year 2007 budget justification to show the fiscal year 2006 enacted level, the requested level and to provide a narrative explaining the rationale for any increases or reductions to the current fiscal year enacted level.

OPERATIONS AND RESEARCH

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides a total program level of $232,457,000 for highway and traffic safety activities, instead of $227,367,000 as proposed by the House and $232,688,000 as proposed by the Senate. The limited amounts for obligation include $122,457,000 to be transferred from the Federal Highway Administration for operations and research, and $110,000,000 for operations and research.

The following table summarizes the conference agreement for operations and research by budget activity:

Salaries and benefits	$72,002,000
Travel	1,336,000
Operating expenses	22,963,000
Contract programs:	
Safety performance (rulemaking)	14,155,000
Safety assurance (enforcement)	18,277,000
Highway safety programs	46,595,000
Research and analysis	72,632,000
General administration	673,000
Grant administration reimbursements	16,176,000
Total	232,457,000

SALARIES AND BENEFITS

The conference agreement provides an increase of $150,000 to support one additional FTE to work exclusively on enforcement against non-compliant tire imports in NHTSA's vehicle safety compliance office, as proposed by the Senate.

OPERATING EXPENSES

The conference agreement provides $5,403,000 for NHTSA's contribution to the working capital fund and provides no funding for workforce planning and development, as proposed by the Senate.

SAFETY PERFORMANCE

The conference agreement includes $10,500,000 for NCAP vehicle testing, instead of $7,859,000 as proposed by the House and $13,679,000 as proposed by the Senate.

The conference agreement includes $206,000 for harmonization of vehicle safety standards, as proposed by the Senate. The House provided no funding for this activity.

HIGHWAY SAFETY PROGRAMS

The conference agreement provides the following amounts for highway safety programs:

Impaired Driving	$12,800,000
Judicial and prosecutorial awareness	(1,100,000)
Pedestrian, Bicycle, and Pupil Transportation	2,065,000
WPI Center for Human Impact Protection Systems	(400,000)
Motorcycle safety	800,000
National Occupant Protection	11,774,000
Enforcement and Justice Services	2,217,000
Emergency Medical Services	3,655,000
NEMSIS implementation	(1,000,000)
University of South Alabama rural vehicular trauma research	(350,000)
Traffic Records and Driver Licensing	2,660,000
Highway Safety Research	7,690,000
Bridgewater State College Remote Sensing and Spatial Information Technologies, MA	(200,000)
Emerging Traffic Safety Issues	1,178,000
NOPUS	1,656,000
International Activities in Behavioral Traffic Safety	100,000

RESEARCH AND ANALYSIS

The conference agreement provides the following amounts for research and analysis:

Safety Systems	$9,226,000
Biomechanics	14,000,000
Subtotal, Crashworthiness	23,226,000
Heavy Vehicles	4,515,000
Commercial vehicle rollover prevention technology demonstration	(900,000)
Michigan Research Institute for research to reduce vehicle weight	(1,000,000)
National Center for Manufacturing Sciences heavy vehicle fuel economy research program	(500,000)
Driver/Vehicle Performance/Simulator	7,050,000
Pneumatic Tire Research	621,000
Subtotal, Crash Avoidance	12,186,000
Fatality Analysis Reporting System	7,063,000
National Automotive Sampling System	12,230,000
Data Analysis Program	2,000,000
State Data Program	2,540,000
Special Crash Investigations	1,700,000
Subtotal, National Center for Statistics & Analysis	25,533,000
National Motor Vehicle Crash Causation Survey	8,000,000
Vehicle Research and Test Center	1,012,000
FastFARS	1,000,000
Crash Avoidance Initiative	500,000
Plastic and composite automobiles	250,000
Hydrogen Fuel Cell and Alternative Fuel Vehicle Safety	925,000
Subtotal	11,687,000
Total, Research and Analysis	72,632,000

Driver/Vehicle Performance/Simulator.—The conference agreement retains a provision in the Senate report directing that not less than $3,000,000 be provided for the National Advanced Driving Simulator.

Driver Distraction.—The conferees direct NHTSA to undertake an effort to consolidate current knowledge on driver distraction for use by policy makers that would assist state and local governments to formulate effective policies, regulations and laws. Such an effort should also identify areas in which scientific evidence is weak or lacking, thus helping to focus the federal research effort in the most productive directions.

OPERATIONS AND RESEARCH

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

The conference agreement limits obligations for operations and research to $110,000,000, instead of $75,000,000 as proposed by the House and $226,688,000 as proposed by the Senate.

NATIONAL DRIVER REGISTER

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

The conference agreement limits obligations for the national driver register to $4,000,000 as proposed by both the House and the Senate.

HIGHWAY TRAFFIC SAFETY GRANTS

(LIQUIDATION OF CONTRACT AUTHORIZATION)

(LIMITATION ON OBLIGATIONS)

(HIGHWAY TRUST FUND)

The conference agreement limits obligations for highway traffic safety grants to $578,176,000, instead of $551,000,000 as proposed by the House and $548,182,095 as proposed by the Senate. The conferees direct NHTSA to submit a High Visibility Enforcement grants spending plan to the House and Senate Committees on Appropriations within 60 days of enactment.

ADMINISTRATIVE PROVISION—NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

Section 125 modifies a provision included by the Senate providing funding for travel and related expenses for state management reviews and highway safety core competency development training. The House did not include a similar provision.

The conference agreement deletes a provision proposed by the Senate that would provide funding for seat belt and impaired driving mobilizations.

The conference agreement deletes a provision proposed by the Senate that would authorize innovative project allocations under section 157 seat belt grants.

The conference agreement deletes a provision proposed by the Senate that provides additional funding for NCAP. The conference agreement provides funding under ''Operations and Research.''

FEDERAL RAILROAD ADMINISTRATION

SAFETY AND OPERATIONS

The conference agreement provides $145,949,000 for Safety and Operations as proposed by the House instead of $146,000,000 as proposed by the Senate. The conferees approve three new positions for FRA: two hazardous materials tank car facility inspectors and one R&D program manager.

RAILROAD RESEARCH AND DEVELOPMENT

The conference agreement provides $55,075,000 for Railroad Research and Development, instead of no funding as proposed by the House and $41,000,000 as proposed by the Senate. Within the amount provided, the conferees have provided $1,500,000 for the Foster Miller Advanced Freight Locomotive; $500,000 for DMU compliance and demonstration, NJ; $210,000 for the WVU constructed facility center; $1,500,000 for the Marshall University-University of Nebraska consortium for safety and research programs in rail equipment, human factors, and track and rail safety related issues; and $10,000,000 for NDGPS.

Within the total, the conference agreement provides $6,500,000 for positive train control programs, including $3,000,000 for the North American Joint PTC program and $3,500,000 for a public-private partnership with a freight railroad to fund a project to assist the development of technology to deploy safety overlay technology designed to prevent train movement authority violations, over-speed violations, and train collision accidents caused by non-compliance of authorities as well as provide additional protections to roadway workers and to protect against open switches in non-signal territories.

The conference agreement includes $7,190,000 for rail corridor planning, to be distributed as follows: $500,000 for the Southeast HSR Corridor, NC; $500,000 for the Gulf Coast High Speed Corridor, near Carriere, MS; $2,500,000 to address critical corridor planning and highway-rail crossing safety needs within the Gulf Coast High Speed Rail Corridor; $1,540,000 for the Southeast High Speed Rail corridor between North Carolina and Virginia; $500,000 for grade crossing hazard elimination in Jemison, AL; $750,000 for highway-rail crossing improvements to the Pacific Northwest Corridor in Vancouver, Washington; $500,000 for the Public Education and Enforcement Research program for highway-rail grade crossing safety in Illinois; and $400,000 for corridor improvements to the Midwest Regional Rail Initiative in Milwaukee, Wisconsin.

Rail-highway crossing hazard eliminations.—The conference agreement provides the following funding allocations for rail-highway grade crossing mitigation authorized under section 1103(f) of Public Law 109–59:

Grade crossing improvements, Deer Park, TX	$650,000
Conecuh Valley Railroad grade crossing at Henderson Highway (CR–21), Troy, AL	100,000
Streeter Avenue grade crossing, Riverside, CA	300,000
Grade crossing improvements, Fort Worth, TX	450,000
Grade crossing improvements, Palm Beach Gardens, FL	375,000
Upper Peninsula grade crossing improvements, MI	750,000
Los Angeles grade crossing improvements, CA	500,000
Pacific Northwest Corridor grade crossing improvements, WA	1,250,000
Louisiana statewide grade crossing improvements	1,000,000
Gulf Coast grade crossing improvements, MS	1,000,000

NEXT GENERATION HIGH-SPEED RAIL

The conference agreement provides no funding for Next Generation High-Speed Rail, instead of $10,165,000 as proposed by the House and $11,500,000 as proposed by the Senate.

ALASKA RAILROAD REHABILITATION

The conference agreement provides $10,000,000 for the rehabilitation expenses of the Alaska Railroad instead of no funding as proposed by the House and $20,000,000 as proposed by the Senate.

NATIONAL RAILROAD PASSENGER CORPORATION

(AMTRAK)

The conference agreement provides a total of $1,315,000,000 for operations, capital improvements and debt service to the National Railroad Passenger Corporation (Amtrak). The conferees agree to provide these funds in a new account structure that provides better clarity as to the nature and extent of Amtrak's operations. The conferees further agree that reform is an essential element to bring escalating Amtrak costs under control in both the short and long term. As such, the conference agreement includes a number of reforms aimed at bringing about operational efficiency.

OPERATING SUBSIDY GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

The conference agreement provides $495,000,000 to the Secretary of Transportation to make quarterly operating subsidy grants to Amtrak, upon submittal of grant requests. Amtrak and the Secretary are reminded that the quarterly grants need not be of equal size, and that Amtrak should submit grant requests that align to seasonal operating needs.

Earlier in the year, the Appropriations Committees received testimony from the Department of Transportation Inspector General (IG) indicating that Amtrak would require an appropriation between $1,400,000,000 and $1,500,000,000 in order to maintain all existing services through fiscal year 2006. More recently, however, the conferees received a communication from the IG indicating that Amtrak carried over roughly $120,000,000 in available funds into fiscal year 2006—some $90,000,000 more than was anticipated at the time of his initial testimony. The IG also noted that Amtrak failed to avail itself of multiple cost-saving opportunities, particularly in the areas of food and beverage and first class services. These findings prompted the IG to conclude that ''Amtrak can function at a lower level of Federal funding—$1,275,000,000 in FY 2006—without cutting routes.'' In total, the conference agreement provides $1,315,000,000 for Amtrak—$40,000,000 more than the level cited by the Inspector General.

The conference agreement includes bill language mandating that Amtrak achieve operational efficiencies, and directing the DOT Inspector General to submit quarterly reports to Congress tracking Amtrak's progress in this area. The conferees direct the Inspector General to develop an operating subsidy baseline by January 3, 2006 against which Amtrak's progress will be measured. The conference agreement includes bill language that prohibits federal subsidies for food and beverage and sleeper car service if the IG cannot certify by the July 1, 2006 quarterly report that Amtrak has achieved operational savings. The conference agreement also includes a provision prohibiting Amtrak from discounting tickets at more than 50 percent off the normal, peak fare after March 1, 2006, consistent with Amtrak's recently announced plan for the Smart Pass program.

The conferees are aware of a recent Government Accountability Office report that highlights serious weaknesses in Amtrak's procurement practices. The conferees expect that these concerns will be remedied, and direct Amtrak, as part of its monthly reporting requirements, to identify and justify all sole source contract awards.

The conference agreement also provides $5,000,000 for development of a managerial cost accounting system, as proposed by the Senate. Finally, the conference agreement continues reporting and grant-making provisions contained in prior appropriations Acts, including the withholding of $60,000,000 for directed service orders should it be needed.

Subject to the terms and conditions set forth in this Act, the conferees encourage Amtrak to continue offering discounted tickets for veterans and, if financially feasible, to increase the veterans' discounts offered during off-peak periods when space remains available on trains. If discounts are offered, the conferees expect these discounts to be offered equally to members of all veterans service organizations.

CAPITAL AND DEBT SERVICE GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

The conference agreement includes $780,000,000 for capital and debt service payment grants to Amtrak. The conferees agree

to language that provides not more than $280,000,000 for debt service payments. If Amtrak is able to refinance its debt and reduce the size of its payments, the conference agreement permits the savings to be used for the capital program. The conferees include language carried in previous appropriations Acts requiring the Secretary to approve capital expenditures in advance.

The conference agreement also includes a provision directing the Secretary to determine the capital and maintenance cost to Amtrak associated with the use of Amtrak-owned infrastructure on the Northeast Corridor by the commuter railroads that operate over that corridor. The provision requires the Secretary to determine and assess appropriate fees on the commuter railroads based on that use. The revenues from these fees will be merged with the capital appropriation and be used for the appropriate capital investments along the Northeast Corridor. In establishing the level of such fees, the Secretary will account fully for the contributions that commuter railroads currently make toward these costs. The conferees expect the Secretary to establish these fees expeditiously and through an open and transparent process that seeks, to the maximum extent possible, to yield a consensus on the part of all stakeholders as to the appropriate distribution of costs between said stakeholders. The conferees expect the Inspector General to include an assessment of the Department's efforts in assessing and collecting these fees as part of his quarterly reports on Amtrak's operating efficiencies beginning with the report due on July 1, 2006.

EFFICIENCY INCENTIVE GRANTS

The conference agreement includes $40,000,000 for a new Efficiency Incentive Grant program. These funds are to be used at the discretion of the Secretary and may be used at any time during the fiscal year to make additional operating assistance available to Amtrak if the Secretary determines such assistance is necessary to maintain the operation of existing Amtrak routes. Funds may also be disbursed by the Secretary at any time during the fiscal year for operating assistance if such assistance is necessary for Amtrak to stay out of bankruptcy and the Secretary and IG have certified that an emergency situation exists. The conferees expect the Secretary to hold any funds not disbursed for operating assistance in reserve until September 1, 2006, and if such funds are not needed for additional operating assistance, the Secretary should then make capital grants to Amtrak for investments that will have a direct and measurable short-term impact on operating efficiencies.

ADMINISTRATIVE PROVISIONS—FEDERAL RAILROAD ADMINISTRATION

Section 130 retains a provision included by the House that permits FRA to purchase promotional items for Operation Lifesaver. The Senate did not include a similar provision.

Section 131 retains a provision included by the Senate that clarifies the purpose of fiscal year 2005 funding in the State of Maine. The House did not include a similar provision.

Section 132 retains a provision proposed by the Senate that clarifies the purpose of fiscal year 2005 funding in the State of Illinois. The House did not include a similar provision.

Section 133 retains a provision proposed by the Senate that permits fiscal year 2004 funding to be used for site planning and improvements to Union Passenger Terminal in New Orleans. The House did not include a similar provision.

Section 134 modifies a provision proposed by the Senate that permits fiscal year 2005 funding to be used for improvements in Spokane, WA. The House did not include a similar provision.

Section 135 includes a new provision regarding a temperature-controlled express demonstration. The conferees direct Amtrak to report to both the House and Senate Committees on Appropriations on the status of this demonstration not later than April 14, 2006 and monthly thereafter.

FEDERAL TRANSIT ADMINISTRATION

The House and Senate Committees on Appropriations both reported out of committee H.R. 3058, which provided appropriations for the Federal Transit Administration (FTA), prior to the August 10, 2005 enactment of Public Law 109–59, the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users or ''SAFETEA–LU.'' Both the House and the Senate structured the appropriations for FTA under the authorities contained in Public Law 105–178, the Transportation Equity Act for the 21st Century or ''TEA–21'' and split funded the accounts between the General Fund and the Mass Transit Account of the Highway Trust Fund. Besides various changes to the transit programs, SAFETEA–LU changed the funding mechanism for FTA such that accounts are funded completely from either the General Fund or the Mass Transit Account. The conference agreement follows the structure of SAFETEA–LU.

ADMINISTRATIVE EXPENSES

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides a total of $80,000,000 from the General Fund for the administrative expenses of the Federal Transit Administration. Of the amount provided, the conferees direct the funds for the following offices:

Administrator	$925,000
Administration	7,325,000
Chief Counsel	4,058,200
Communications and Congressional Affairs	1,359,300
Program Management (includes public safety)	7,985,900
Budget and Policy	8,732,500
Research, Demonstration, and Innovation	4,763,900
Civil Rights	3,153,100
Planning	4,127,300
Regional Offices	20,754,000
Central Account	16,815,000

The conference agreement retains provisions proposed by both the House and the Senate allowing for the transfer of up to five percent of funds between offices, directing FTA to submit for approval any proposal to transfer funds from the Central Account, prohibiting funds for a permanent office of transit security, directing FTA to reimburse up to $2,000,000 to the Office of the Inspector General, and directing the submission of the annual new starts report. As proposed by the House, funds for the National Transit Database are included under the formula program.

The conferees direct FTA to notify the House and Senate Committees on Appropriations prior to funding e-gov initiatives based in the Office of the Secretary. Activities in support of the Secretary's initiative should be reflected in either the OST account or in the FTA accounts.

The conferees direct the FTA Administrator to comply with the Department's July 18, 2005 chief financial officer (CFO) policy requiring each operating agency chief financial officer to manage directly all financial and budget activities for both program and administrative funds. The conferees agree that the FTA CFO is to oversee the formulation and execution of all authorized and appropriated funds to the agency. The conferees direct the Administrator to report to the House and Senate Committees on Appropriations by January 30, 2006, detailing how FTA has aligned the agency's management and oversight of the financial and budget activities for both program and administrative funds consistent with the Department's CFO policy.

Further, the conferees direct the Inspector General to conduct an audit of FTA's administrative expenses for fiscal year 2005 to validate that funds were spent consistent with the provisions of the appropriations Act and the directives that were included in the committee reports. The Inspector General should report the results of the audit to the House and Senate Committees on Appropriations by December 31, 2005.

FTA is directed to submit its fiscal year 2007 congressional budget justification for administrative funds itemized by office with material detailing salaries and expenses, staffing increases, and programmatic initiatives of each office. The initiatives for each should be clearly stated, and include a justification for each new position or full-time equivalent, should FTA request additional FTEs next year. In addition, the congressional budget justifications must identify the administrative costs for each new fixed guideway project included in the fiscal year 2007 request.

The conferees reiterate the Senate directive to continue reporting monthly on the new starts program, including milestone schedules for projects within two years of reaching their full funding grant agreement.

FORMULA AND BUS GRANTS

(LIQUIDATION OF CONTRACT AUTHORITY)

(LIMITATION ON OBLIGATIONS)

(INCLUDING TRANSFER OF FUNDS)

The conference agreement limits obligations from the Mass Transit Account for the formula and bus grant program to $6,979,931,000. Of the amount available for the fixed guideway modernization program, $47,766,000 is to be transferred to the Capital Investment Grants account for activities under that program. The conferees expect FTA to distribute funds as directed by SAFETEA–LU.

Of the funds provided for bus and bus facilities, the conferees direct funds to the following priorities:

10 new fixed-route buses, Cedar Rapids, IA	150,000
1st District Bus Replacement and Facilities, MI	2,000,000
2nd St/Andrews Ave/3rd St Enhancements, Fort Lauderdale, FL	500,000
7th Avenue Transit Hub, FL	400,000
7th District Buses and Bus Facilities, WI	1,050,000
95th Street Red Line Station, IL	800,000
Acquisition of MARTA Transit Buses, GA	500,000
ADA Paratransit Vehicles, San Diego, CA	500,000
Adams Co. Transit Authority purchase of buses, PA	500,000
Alabama Association of Area Agencies on Aging Bus and Van Purchase	200,000
Alabama State Docks Choctaw Point Terminal	2,160,000
Alaska Native Medical Center intermodal bus/parking facility	750,000
Alexandria Transit Service Improvements, VA	1,000,000
Allegan County Transportation Services, MI	89,000
Alternative fuel buses, Broward County, FL	1,000,000
Area Transit Authority, PA	1,000,000

Arlington County Bus Transfer Facility, VA	400,000
Atlantic City Regional Medical Center Bus Project, NJ	250,000
Automated Light study along Route 59, NY	100,000
Automation Alley/BUSolutions, MI	2,000,000
Automotive-Based Fuel Cell Hybrid Bus Program, DE	1,000,000
BARTA—Auto Vehicle Locator System, PA	800,000
BARTA—Franklin Street Station Intermodal, PA	500,000
Battle Creek Transit Bus Replacement, MI	1,200,000
Bay City MTA New and Replacement Vehicles, MI	400,000
Bellows Falls Multimodal Facility, VT	1,000,000
Ben Franklin Transit, Maintenance and Operations Facility, WA	500,000
Bergen Intermodal Stations and Park N'Rides, NJ	2,000,000
Berrien County Public Transportation, MI	150,000
Billings Public Bus and Transfer, MT	1,250,000
Blacksburg Transit Intermodal Facility, VA	200,000
Bloomfield Intermodal Facilities and Park-and-Ride, NJ	500,000
Bloomington, Indiana University Campus Bus System, IN	600,000
Bloomington Public Transportation Corporation, IN	1,200,000
Blue Line Trolley Shelter Improvements, CA	350,000
Boro Park JCC Bus Purchase, NY	250,000
Boulder Highway Max Bus Rapid Transit System, NV	450,000
Brazos Transit District Bus Replacement, TX	125,000
Brazos Transit District, Capital Cost Contracting, TX	1,000,000
Bridgeport Intermodal Transport Center, CT	4,000,000
Brigham City Buses and Bus Facilities, UT	150,000
Brockton Area Transit Authority Replacement Buses, MA	1,031,459
Broward County Alternative Fuel Buses, FL	115,000
Broward County Southwest Bus Facility, FL	1,000,000
Bucks County Intermodal Facility, PA	500,000
Burbank Airport Hybrid Shuttle Demonstration Project, CA	500,000
Burlington Transit Facilities, VT	1,000,000
Bus Facility 65th Intermodal Station, NY	1,000,000
Bus Purchase and Upgrades, Columbus, IN	500,000
Bus Purchase for Red Rose Transit Authority, Lancaster, PA	750,000
Bus Rapid Transit in Western Slope Area, CO	400,000
Bus Replacement and Facilities, DE	1,000,000
Bus Replacement, TX	1,000,000
Bus Replacements, PA	500,000
Bus Shelters, Dallas, TX	500,000
Bus Terminal and Support Facility, Lake Charles, LA	1,000,000
Bus/Vehicle Replacement, Lufkin, TX	300,000
Buses and Bus Facilities, Danville, VA	300,000
Buses and Bus Facilities, Farmington, NM	320,000
Buses and Bus Facilities, GA	500,000
Buses and Bus Facilities, Las Cruces, NM	1,000,000
Bus and Bus Facilities, Clarkstown and White Plains, NY	300,000
Cambria County Transit Authority, PA	1,000,000
Capital Area Transit (CAT), PA	750,000
Capital Area Transportation Authority, Hybrid Public Transportation Vehicles Purchase, Lansing, MI	2,000,000
Capital Metro Expansion and Improvement, TX	2,100,000
Capital Metro North Operating Facility, TX	500,000
Capital Metro Rapid Bus Project, TX	750,000
Cass County Transit, MI	80,000
Cedar Avenue Bus Rapid Transit, Dakota County, MN	750,000
Central New York Regional Transportation Authority	1,500,000
Central NJ Intermodal Stations and Park & Rides	500,000
Central Ohio Transit Authority Paratransit Facility	1,500,000
Centre Area Transportation Intermodal Facility, PA	500,000
CFRTA LYNX Bus Fleet Expansion, FL	1,350,000
Chatham Area Transit Authority bus and facility, GA	500,000
Cherry Street Joint Development Project, IN	250,000
Chestnut Hill Parking Foundation, Cheltenham, PA	250,000
Church Street Transportation Center, PA	225,000
City of Albuquerque Transit Vehicles, NM	225,000
City of Anderson Intermodal Center Project, IN	125,000
City of Brownsville Urban System, TX	500,000
City of Clinton, Missouri, Buses and Bus Facilities, MO	50,000
City of Coralville Intermodal Facility, IA	575,000
City of El Paso Sun Metro Bus Replacement, TX	2,000,000
City of Lamar, Missouri, new transit vehicle	20,000
City of Lubbock Citibus Improvement, TX	500,000
City of Marshfield, new transit vehicles, MO	50,000
City of Midland Dial-A-Ride Section 5309, MI	366,000
City of Modesto's Bus Maintenance Facility, CA	500,000
City of Moultrie, Georgia, Intermodal Facility	500,000
City of Northfield, MN Transit Station	280,000
City of Texarkana, AR	400,000
City Utilities of Springfield bus facilities, MO	1,650,000
Clallam Transit, WA	220,000
Clare County Transit Administration Facility, MI	460,000
Coatesville Train Station, Coatesville, PA	1,000,000
Coconino County Bus Facilities, AZ	1,000,000
Colorado Transit Coalition, CO	3,000,000
Communication Equipment and Bus, Belding, MI	76,000
Commuter Rail Hub Planning and Renovation of the Historic Brigham City Train Depot, UT	75,000
Complete intermodal transit facility, Lufkin, TX	750,000
Compressed Natural Gas (CNG) Buses, TX	1,000,000
Construct bus shelters in Bellflower, CA	250,000
Construction of Amesbury Bus Facility, MA	1,200,000
Corona Transit Center, CA	500,000
Corpus Christi Bus and Bus Facilities, TX	80,000
County of Lebanon Transit (COLT), PA	300,000
Crawford Internmodal Transportation Facility, PA	350,000
Cyride/Ames Iowa Bus Garaga facility	1,000,000
Deneka Maintenance Facility, MI	500,000
Detroit Bus Leasing and Expansion, MI	2,000,000
Dowagiac Dial A Ride, MI	50,000
Downtown Akron Transportation Center, OH	300,000
Downtown Nashville Transit Transfer Facility, TN	800,000
East County Bus Maintenance Facility, CA	1,000,000
East Valley Bus Maintenance Facility, AZ	1,000,000
Easton Intermodal, PA	400,000
Ed Roberts Campus, Berkeley, CA	300,000
El Garces Intermodal Station, Needles, CA	2,000,000
Electric, Next-Generation Transit Buses, Broome County Transit, NY	800,000
Endless Mountain Transportation Authority, Bradford County, PA	300,000
Enhance Oklahoma Transit Association Public System	500,000
Enhancements to Bus Terminal in McAllen, TX	500,000
Everett Transit, Bus and Paratransit Vehicle Replacement, WA	825,000
Fairfield/Vacaville Intermodal Station, CA	500,000
Family Connection of Shelby County Trans Project, AL	50,000
Fayette Area Coordinated Transportation, PA	1,500,000
Flagler County Buses and Bus Facilities, FL	300,000
Flint MTA New and Replacement Vehicles, MI	300,000
Foothill Transit, San Gabriel Valley, CA	3,300,000
Foothills Community Action Partnership Foothills Express Transit Expansion Project, KY	350,000
Fort Bend Co, TX, Park & Ride	500,000
Fort Wayne Citilink, IN	125,000
Franklin County Transportation Council, MO	456,000
Franklin Multimodal Center, MA	1,500,000

Fulton County Transit Authority, KY	220,000
Gadsden State Community College Transit Project, AL	600,000
Gardner Maintenance Facility Construction, MA	800,000
Georgia GRTA Xpress Implementation Buses	2,250,000
Gettysburg Bus and Bus Facilities, PA	250,000
Golden Empire Transit traffic signal priority project, CA	250,000
Grant Transit, WA	225,000
Grays Harbor Transit, Transit Center Expansion, WA	780,000
Grays Harbor Transit, WA	65,000
Greater Lapeer Transportation Authority, MI	500,000
Greater Lynchburg Transit Company Vehicle Replacement, VA	400,000
Greater Minnesota Transit Capital	1,000,000
Greater Minnesota Transit Capitol—5309 Buses and Bus Facilities, Rock County	500,000
Greater Ouachita Port intermodal facility, LA	400,000
Greater Richmond Transit Company Bus Operations and Maintenance Facility, VA	2,000,000
Greater Sacramento Regional Bus Replacement/Bus Facility Expansion, CA	1,000,000
Hampton Roads Southside Bus Facility, VA	1,000,000
Hampton Roads Transit Bus Facilities, VA	2,250,000
Handicap Buses Desoto County, MS	150,000
Harbor Transit, MI	404,000
Harlan County Transit Center, KY	500,000
Hazleton Intermodal, PA	1,500,000
Helena Transit Facility, MT	250,000
Henderson Area Rapid Transit Authority, KY	44,000
High Point International Furniture Market Transportation Terminal, NC	850,000
Hill County Transit Administration Facility, TX	500,000
Hillsdale Dial-A-Ride, MI	500,000
Holyoke Multimodal Center, MA	1,750,000
Homestead East-West Bus Connector, FL	500,000
Honolulu Bus and Bus Facilities, HI	6,000,000
Houston METRO Bus Transit Centers, TX	2,030,000
Hunt County Committee on Aging, TX	500,000
I–35W BRT 46th Street Station, Minneapolis, MN	1,000,000
Idaho Statewide ITS	100,000
Idaho Transit Coalition Bus Capital Investment	2,150,000
Idaho Transit Coalition Buses and Bus Facilities	750,000
IL Statewide buses and facilities	8,000,000
Inter-city Transit Companies, Meridian, MS	200,000
Inter-Modal Center, Middletown, CT	300,000
Intermodal Center, Scottsdale, AZ	810,000
Intermodal Facility, Augusta, ME	700,000
Intermodal Facility, Ouachita Parish, LA	500,000
Intermodal Park and Ride Facility at Discovery, CA	300,000
Intermodal Station Improvements, Salem and Beverly, MA	1,200,000
Intermodal Terminal Center, Jacksonville, FL	1,000,000
Intermodal Transfer Facility at Duncan and Boyle, MO	700,000
Intermodal Transit Center, Bell Gardens, CA	400,000
Intermodal transportation facility, Huntington Hospital, NY	500,000
Interstate 15 managed lanes, San Diego, CA	1,000,000
Island Transit, WA	480,000
ITS Security Equipment for Buses, TX	500,000
Ivy Tech Multi-Modal Facility, Indianapolis, IN	300,000
Ivy Tech State College Multi-Modal Facility, IN	175,000
Jacksonville Transportation Authority Bus and Bus Facilities, FL	340,000
Jamestown 2007 Natural Gas Bus purchase, VA	250,000
JARC Hartline, Hillsborough County, FL	250,000
JATRAN bus replacement, MS	550,000
Jefferson City, Missouri, Buses and Bus Facilities	350,000
Jefferson County Transit, WA	365,000
Johnson County Fleet Vehicle Replacement, KS	350,000
Johnson County SEATS Para-Transit Facility Program, IA	100,000
Kalamazoo Metro Transit, MI	1,000,000
Kalispell Buses, MT	100,000
Kalkaska County Transportation Facility, MI	400,000
Kansas Statewide Bus and Bus Facilities, KS	700,000
Kapkowski Road Transportation Planning Area Project, NJ	500,000
KCATA buses, MO	3,850,000
Key West Buses and Bus Facilities, FL	500,000
King County Airfield Transfer Area, WA	1,200,000
King County Metro Park and Ride on First Hill, WA	1,200,000
King County Metro, Bus Radio Replacement Program, WA	2,000,000
Knoxville Electric Transit Intermodal Center, TN	1,000,000
La Habra Shuttle Senior Transportation Program, CA	157,000
LA Statewide buses and facilities	4,000,000
Lafayette Bus Replacement, IN	750,000
Lafayette Louisiana Multimodal Transportation Facility	150,000
Lake County Bus Systems, IN	500,000
Lake Erie Transit Hybrid Transit Buses, MI	700,000
Lake Erie Transit Maintenance Bay Expansion, Michigan	500,000
Lakeland Area Citrus Connection Transit Systems	250,000
Lakeside Center Hub, Prospect Park, Brooklyn, New York	700,000
Lakewood Bus Stop Improvements, Lakewood, California	400,000
Lancaster Intermodal, Pennsylvania	2,000,000
Lawson State Community College, Alabama	450,000
Lewistown Bus Facility, Montana	300,000
Lincoln County Senior Citizen Bus, Kentucky	400,000
Link Transit Low Floor Coaches Chelan/Leavenworth, WA	500,000
Livermoore Amador Valley Satellite Maintenance and Operations Facility, California	1,000,000
Long Beach Transit Bus Purchase, California	750,000
Los Angeles Valley College Bus Station Extension, California	750,000
Lubbock/Citibus Low-Floor Buses, Paratransit Vans and Facilities, and Passenger Amenities, TX	80,000
Ludington Mass Transportation Authority	320,000
Macatawa Area Express	250,000
MART Advanced Vehicle Locator System (AVL), Massachusetts	500,000
MART Maintenance Facility, Fitchburg, Massachusetts	1,200,000
MART Vehicle Replacement, Massachusetts	1,200,000
MARTA Atlanta Clean Fuel Buses	1,000,000
MARTA Automated Smart Card Fare Collection Systems, Georgia	375,000
Maryland Statewide Bus Program	500,000
Mason County Transit, Washington	150,000
Memphis Airport Intermodal Facility, Tennessee	1,375,000
METRO St Louis Downtown Shuttle Trolley, Missouri	750,000
Metropolitan Atlanta Rapid Transit Authority acquisition of clean buses, Georgia	2,610,000
Mid Mon Valley Transit Authority, Pennsylvania	1,500,000
Midland Bus Facilities, TX	50,000
Midland Bus Facilities, Texas	80,000
Midland County Board of Commissioners Connection	500,000
Minnesota Transit Cap.—5309 Buses and Bus Facilities—St. Peter	250,000
Miramar Town Center Transit Hub, Miramar, Florida	500,000
Mobile Waterfront Infrastructure Development, AL	600,000
Monroe Township/Clarion University Transit	660,000
Monrovia, Los Angeles County, CA, Transit Village	1,500,000
Monterey Salinas Transit, Monterey, California	400,000
Montgomery Bus Stop, Shelters and Bus GPS Tracking System, Alabama	200,000
Montgomery County Intermodal, Pennsylvania	500,000
Morristown Intermodal Historic Station, NJ	3,000,000

Mountain Line Bus, Montana	875,000
MTA transit vehicles for disabled persons, Guam	300,000
Muncie Indiana Transit System	1,200,000
N. Indiana Mental Health Trans. Partnership	250,000
Nassau County Hub and Centre, NY	1,000,000
Nassau County, New York Bus Replacement	1,000,000
National Center for Transportation Needs (TRANSPO), FL	750,000
Nevada Statewide Bus and Bus Facilities, NV	3,000,000
New Bus Facility Capital Improvements, California (San Joaquin)	1,000,000
New Orleans Union Passenger Terminal Rehab, Louisiana	1,000,000
Newark Penn Station Intermodal Improvements, New Jersey	1,000,000
NFTA Hybrid Buses, Amherst, Erie County, New York	750,000
Niagara Frontier Transportation Authority Buses, New York	500,000
NIMHTP, Madison Center, South Bend, IN	500,000
NJ Transit Jitney Bus Replacement, Atlantic City	250,000
North Dakota Statewide Transit	1,250,000
North Hempstead Green Bus Fleet, New York	600,000
North Leomister Parking Improvements, Massachusetts	720,000
Northern New Mexico Park and Ride	450,000
Northumberland County Transportation, PA	200,000
Northwest Busway, Minneapolis, Minnesota	1,000,000
Northwestern Connecticut Central Transit Facility	300,000
Norwalk Pulse Point Joint Improvements, CT	250,000
NW NJ Multi-County Intermodal Transit Initiative	1,000,000
OATS buses and bus facilities, Missouri	2,200,000
OCTA BRT	1,500,000
Ogden Buses and Bus Facilities, UT	250,000
Ohio Statewide Buses and Bus Facilities	5,600,000
Ojai Multi-Agency Transportation Facility, CA	250,000
Oklahoma DOT Transit Program Division	500,000
Omni Trans Para Transit Vehicles	300,000
Pablo Bus Facility, Montana	200,000
Pablo Buses, Montana	150,000
PACE Bus Service to the College of DuPage, Glen Ellyn, IL	200,000
Pace Suburban Bus Transit Signal Priority, Illinois	500,000
Pacific Station Multimodal Facility, Santa Cruz, California	400,000
Paducah Area Transit System in Paducah, Kentucky	1,100,000
Palm Springs Aerial Tramway Bus Project, CA	600,000
Palm Tran, Palm Beach County, FL	250,000
Paoli Transportation Center	2,000,000
Paramount Easy Rider Clean-Air Buses, Paramount, California	200,000
Park and Ride Facility, Ashland, OR	250,000
Park-and-Ride Lot, Springfield, VA	1,000,000
Pasco County Transit Facilities Project, FL	250,000
Pasco County Public Transportation Bus Purchase, FL	500,000
Pasco County Transit Construction, FL	500,000
Pennyrile Allied Community Services	93,000
Petersburg Multi-Modal Transit Center, VA	500,000
Petersburg Transit Intermodal Facility, VA	300,000
Phoenix/Avondale/Glendale Bus Expansion, Arizona	1,500,000
Phoenix/Glendale West Valley Operating Facility, Arizona	1,000,000
Pine Ridge Transit System, South Dakota	600,000
Placerville Station II	1,000,000
Poplar Transit Facility Renovation, Montana	80,000
Port Angeles International Gateway Project, Washington	800,000
Port Authority of Allegheny County Bus Acquisition, Pennsylvania	3,100,000
Potomac and Rappahannock Transit Commission Buses for service expansion, VA	1,200,000
Prospect and East 21st Street Intermodal Transportation Center, OH	875,000
Public Bus Transfer and Parking Facility, MT	1,250,000
Public Transit for STCC College Students, Massachusetts	700,000
Pullman Multi-Modal Transit Center, Pennsylvania	500,000
Pullman Transit, Washington	50,000
Purchase of Five Transit Buses, Pasco County, FL	250,000
Purchase Transit Buses for Macon Transit Authority, Georgia	500,000
Putnam County, FL Ride Solutions Buses	750,000
Puyallup Transit Center Park and Ride, Washington	780,000
Rapid Transit Handicap Accessibility, Newton, Massachusetts	1,200,000
Ray County Transit Buses and Bus Equipment, Missouri	50,000
Redondo Beach Coastal Shuttle Transit Vehicles, California	700,000
Regional Bus and Bus Facilities: Intermodal Terminals, UT, including Gateway TRAX station	1,500,000
Regional Intermodal Transportaiton, South Amboy, New Jersey	500,000
Renaissance Square, NY	5,000,000
Reno and Sparks Intermodal Transportation Terminals and Related Development, NV	500,000
RGRTA Hampton Corners Livingston County, NY	1,000,000
Rhode Island Public Transit Authority Elmwood Avenue Maintenance Facility Improvements	1,240,000
Rhode Island Public Transit Authority Transit Security Improvements	200,000
Rhode Island Statewide Vehicle Replacement	500,000
Richmond Highway Public Transportation Initiative, VA	2,400,000
Riverside Transit Center, CA	750,000
RiverSphere Multimodal Facility, Louisiana	200,000
Rolling Stock for HCTD Urban System, TX	1,500,000
Roscommon Transportation Authority Route Service	200,000
Rosemary Children's Services' Transportation Program, California	75,000
RTC Transit Maintenance Facility, NV	500,000
Rural Bus Program, HI	4,000,000
Saint Peter's McGrinley Square Intermodal Facility, New Jersey	800,000
SamTrans Revenue Collection System, California	300,000
San Antonio—New Buses, Bus Facility Improvements, and Bus-Related Projects TX	100,000
San Diego Bus Rapid Transportation Demonstration Project, California	700,000
San Francisco Muni Buses and Bus Facilities, California	2,000,000
San Luis Rey Transit Center	500,000
Sandy Transit Bus Facility, Oregon	375,000
Sanilac Co. Transit Authority, MI	500,000
Santa Clara Valley Transit Authority Paratransit Vehicle, California	500,000
Seniors Transportation, Inc. Buses and Bus Facilities, New York	100,000
Shenango Valley Shuttle Service, Pennsylvania	250,000
Shuttle bus to transport seniors in Bell Gardens, California	100,000
Silver Spring Transit Center, Maryland	3,000,000
Simi Valley Public Transit Radio Communications, CA	250,000
Skagit Transit Bus Acquisition, Washington	425,000
Skagit Transit Chuckanut Dr. Station in Burlington, Washington	300,000
Skagway Intermodal facility, Alaska	1,000,000
SMART Multi-Modal Transit Center and Bus Maintenance Facility, Oregon	500,000
Solana Beach Transit Center, Solana Beach, CA	500,000
Sound Transit, Eastgate Transit Access, Washington	1,500,000
South East Missouri Transportation Service, Missouri	1,100,000
South Norwalk Intermodal Facility, Norwalk, CT	1,000,000
Southeast Tennessee Human Resource Agency	500,000
Southern and Eastern Ky Bus and Bus Facilities	500,000
Southern Maryland Commuter Bus Initiative	2,000,000
Southern Missouri Buses and Bus Facilities	1,500,000

Space Coast Area Transit Bus Terminal, FL	200,000
Spencer Avenue Bus Transfer Center, Oroville, CA	350,000
St Johns County, FL Council on Aging Buses	500,000
St. George Terminal, Staten Island, NY	1,000,000
St. Joseph County Transit	80,000
Stamford Urban Transitway Phase II, CT	3,000,000
StarTran Farebox Technology Upgrades, Nebraska	65,000
State of Arkansas—Bus and Bus Facilities	4,000,000
Statewide Bus and Bus Facilities, NC	2,000,000
Statewide Bus and Bus Facilities, SD	4,000,000
Statewide Bus and Bus Facilities, Utah	1,700,000
Statewide Bus Replacement, Iowa	1,400,000
Suburban Mobility Authority for Regional Transportation (SMART), MI	5,000,000
Suffolk County Buses and Bus Facilities, New York	400,000
Sun Tran CNG Buses and Facilities	2,000,000
Sun-Tran Operations and Maintenance Facility Expansion, UT	250,000
SW King County-Highline CC Intermodal Transit Facility and Parking Garage	850,000
TALTRAN Bus Expansion Project, Florida	1,000,000
Taltran Bus Fleet Replacement	500,000
TARC—purchase of 10 hybrid electric buses	500,000
Tech Town Transportation Center, OH	750,000
Tennessee Department of Transportation Buses and Bus Facilities	500,000
The District-Bryan/College Station Bus Replacement, Texas	500,000
The UEL Bus Stop, University of Minnesota Twin Cities Transitway, MN	50,000
Third Bus Depot on Staten Island, NY—South Shore	2,000,000
TN DOT Job Access Reverse Commute	500,000
TN Statewide Bus and Bus Facilities	5,500,000
Torrance Transit System, California	400,000
Town of Chapel Hill, North Carolina Replacement Bus	750,000
Town of Normal Multimodal Transportation Center, IL	2,000,000
Transit Center 9400 South Sandy, Utah	500,000
Transit Vehicles for Albuquerque, NM	500,000
Treasure Coast Connector, St. Lucie County, FL	500,000
Triangle Transit Authority Replacement Buses, North Carolina	500,000
Trolley Plaza, AL	125,000
Trolley Shelter, West Palm Beach, Florida	250,000
Trolley System, Boynton Beach, FL	250,000
Tucson SunTran Alternative Fuel Bus Replacement, AZ	1,500,000
Tucson SunTran Bus Storage and Maintenance Facility, AZ	5,000,000
Twin Cities Dial A Ride	89,000
Twin Transit, Washington	160,000
ULM Intermodal Facility, Monroe, LA	1,000,000
UNI Multimodal Project, Cedar Falls, Iowa	1,575,000
Union Station Intermodal Trade and Transit Center, Pennsylvania	1,250,000
Union Station Intermodal Transportation Center, Washington, D.C.	700,000
Union/Snyder Transportation Authority Union County, PA	1,000,000
University of Montana bus maintenance facility	250,000
University of Norther Iowa Multi	250,000
Upper Cumberland Human Resource Agency, Tennessee	350,000
Uptown Crossings Joint Development Transit Project, Cincinnati, OH	1,000,000
Utah Intermodal Transit Hubs, Utah	200,000
Vallejo Intermodal Station, California	850,000
Valley Hospital Bus Transportation, NJ	75,000
Valley Transit, Washington	275,000
Vehicle Acquisition for Ionia Dial-A-Ride, MI	144,000
Vehicle Acquisition, SC	1,600,000
Victor Valley Trans Operation/Maintenance Facility	750,000
Virgin Island Transit VITRAN, Virgin Islands	300,000
Visalia Bus Operations and Maintenance Facility	250,000
Visalia CNG Bus Conversion	250,000
Warwick Para-Transit Vehicles, Rhode Island	135,000
West Side Transit Facility, Albuquerque, NM	825,000
West Valley City Intermodal Terminal, Utah	375,000
Westchester County Bee-Line Bus Replacement, New York	250,000
Westminster College Intermodal Transportation Facilities Expansion for Shuttle Buses, Utah	1,250,000
Westmoreland Transit Authority, Pennsylvania	750,000
Wichita Transit Authority, KS	800,000
Williamsport Trade and Transit Centre Expansion, Pennsylvania	675,000
Winston-Salem Union Station Intermodal Facility, NC	250,000
Winter Haven Transit Terminal/Buses	1,000,000
Wisconsin Statewide Buses and Bus Facilities	2,125,000
WMATA Bus Purchase	1,500,000
Wyandotte County Unified Government Transit, KS	500,000
Yates Township Dial-A-Ride Transportation System, MI	400,000
Yorba Linda Senior Mobility Program—TRAILS	41,000
York Co. Transit Auth. (PA) purchase of buses	500,000
Yosemite Area Regional Transportation System	250,000
Zero Emission Bus Demonstration, Santa Clara, California	400,000

The conferees provide $8,000,000 to the Illinois Department of Transportation (IDOT) for Section 5309 Bus and Bus Facilities grants. The conferees expect IDOT to provide at least $4,000,000 for Downstate Illinois replacement buses in Bloomington, Champaign-Urbana, Danville, Decatur, Peoria, Pekin, Quincy, River Valley, Rockford, Rock Island, Springfield, Madison County, Rides MTD, South Central MTD, and Macomb, including $375,000 for the Springfield MTD night service project. Further, the conferees expect IDOT to provide appropriate funds for bus facilities in Bloomington, Galesburg, Macomb, Peoria, and Rock Island, including $500,000 for the Champaign Day Care Center/Park-n-Ride and $500,000 for the Macomb maintenance facility.

The conferees direct FTA to refrain from reallocating funds provided in fiscal year 2003 and prior year appropriations Acts for the Department of Transportation as follows:

GA—Macon Intermodal
NY—Middletown/Tompkins Consolidated Area Transit Center
NY—Tompkins County/Tompkins Consolidated Area Transit Center
SC—Sumter Intermodal
SC—Intermodal/Inland Port Terminal
PA—Wilkes-Barre intermodal
WV—Morgantown intermodal
AL—Jefferson County, Diesel Hybrid Electric Buses
MA—Attleboro Intermodal
NY—Jamaica Intermodal Facilities
KS—Lawrence Transit System Transfer Center
CT—Hartford-New Britain Busway Project
CT—Hollyhock Station/Intermodal Transportation Center, Norwich
IN—Indianapolis downtown transit facility
MA—Springfield Union Station intermodal facility
MA—Springfield Union Station Intermodal Redevelopment Project
NE—Metro Area Transit—Intermodal Facility
WA—Aurora Avenue Bus Rapid Transit
PA—Easton Intermodal Terminal

SAFETEA–LU setasides of bus and bus facility funds.—The conferees note that the recently enacted surface transportation authorization bill, SAFETEA–LU, (Public Law 109–59) sets aside more than $442,000,000 of the formula funds made available in this Act for specific bus and bus related facility projects. These projects include eight high priority ferry boat system projects and 645 separate high priority bus projects. Included among those projects is annual funding of $5,000,000 for a Statewide grant for bus and bus related facilities in the State of West Virginia.

The conferees are aware that hybrid buses offer reduced fuel consumption while utilizing existing infrastructure, a significant benefit particularly at a time when fuel conservation is paramount. Also, reduced maintenance for hybrid buses equates to significant life cycle cost benefits. Accordingly, the conferees believe that FTA should develop a program for encouraging and incentivizing a far greater number of transit systems to adopt this technology. The FTA is directed to develop such an initiative, which is to be submitted with the fiscal year 2007 budget submission.

RESEARCH AND UNIVERSITY RESEARCH CENTERS

The conference agreement provides $75,200,000 from the General Fund for research activities. Of the amounts provided, $4,300,000 is for the National Transit Institute, $9,000,000 is for transit cooperative research programs, $7,000,000 is for the university centers program. The conferees provided additional funds over and above the guaranteed level in order to preserve the core research program, which was inadvertently reduced under SAFETEA–LU.

The conferees note that the recently enacted surface transportation authorization bill, SAFETEA–LU, (Public Law 109–59) sets aside research funds made available in this Act for specific research and university projects. Of the remaining funds provided for the national planning and research program, the conference agreement directs funds for the following:

American Cities Transportation Institute, PA	$500,000
CTAA of America Nationwide Joblinks	$800,000
CALSTART/WESTART Advanced Transit Technology	$2,000,000
Boston-Fitchburg, MA Rail Corridor	$640,000
Automation Alley BUSolution	$1,500,000
Advanced Transportation Technology Institute, TN	$1,000,000
Research Hybrid Fuel Technology Transit System, CA	$250,000
Wichita State University: mass transit vehicle crash protection	$250,000
University of Texas, Austin: Flywheel bus and truck program	$1,000,000
Hennepin County Community Works	$500,000
Advanced vehicle emission reduction sensor program, Ohio	$500,000
Biodiesel hybrid bus research, AL	$1,000,000
CIMERC, PA	$1,000,000
City of Mount Vernon, WA—transit and development study	$200,000
Low cost carbon fiber production technology, TN	$1,000,000
Center for Transportation and the Environment—Southern Fuel Cell Coalition/Flywheel Development	$1,660,000
Transport 2020, WI	$1,000,000
Washington State ferries wireless over water project	$1,000,000
WVU exhaust emission testing initiative, WV	$1,400,000

CAPITAL INVESTMENT GRANTS

The conference agreement provides $1,455,234,000 from the General Fund for capital investment grants.

ACE Gap Closure San Joaquin County, California	5,000,000
Alaska and Hawaii ferry projects	15,000,000
Ann Arbor/Detroit Commuter Rail, Michigan	5,000,000
Atlanta Beltline/C-Loop, Georgia	1,000,000
Baltimore Central Light Rail Double Track Project, Maryland	12,420,000
Baltimore Red Line and Green Line, Maryland	2,000,000
Boston/Fitchburg, Massachusettes Rail Corridor	2,000,000
Central Corridor/St. Paul-Minneapolis, Minnesota	2,000,000
Central Florida Commuter Rail	11,000,000
Celtral Phoenix/East Valley LRT, Arizona	90,000,000
Charlotte South Corridor Light Rail Project, North Carolina	55,000,000
City of Miami Streetcar, Florida	2,000,000
City of Rock Hill Trolley Study, South Carolina	400,000
Commuter Rail, Albuquerque to Santa Fe, New Mexico	500,000
Commuter Rail, Utah	9,000,000
CORRIDORone Regional Rail Project, Pennsylvania	1,500,000
CTA Douglas Blue Line, Illinois	45,150,000
CTA Ravenswood Brown Line, Illinois	40,000,000
CTA Yellow Line, Illinois	1,000,000
Dallas Northwest/Southeast Light Rail MOS, Texas	12,000,000
Detroit Center City Loop, Michigan	4,000,000
Dulles Corridor Rapid Transit Project, Virginia	30,000,000
East Corridor Commuter Rail, Nashville, Tennessee	6,000,000
East Side Access Project, New York	340,000,000
Euclid Corridor Transportation Project, Ohio	24,774,513
Ft. Lauderdale Downtown Rail Link, Florida	1,000,000
Gainesville-Haymarket VRE Service Extension, Virginia	1,450,000
Hartford-New Britain Busway, Connecticut	6,000,000
Houston METRO, Texas	12,000,000
Hudson-Bergen Light Rail MOS 2, New Jersey	100,000,000
Kansas City, MO, Southtown BRT	12,300,000
Metra, Illinois	42,180,000
Metro Gold Line Eastside Light Rail Extension, California	80,000,000
Miami Dade County Metrorail Extension, Florida	10,000,000
Mid-Coast Light Rail Transit Extension, California	7,160,000
Mid-Jordan Light Rail Transit Line, Utah	500,000
Mission Valley East, California	7,700,000
N. Indiana Commuter Transit District Recapitalization	5,000,000
New Jersey Trans-Hudson Midtown Corridor, New Jersey	12,315,000
North Corridor Interstate MAX Light Rail Project, Oregon	18,110,000
North Shore Connector, Pennsylvania	55,000,000
North Shore Corridor and Blue Line Extension, Massachusettes	2,000,000
Northeast Corridor Commuter Rail Project, Delaware	1,425,000
Northern Branch Bergen County, New Jersey	2,500,000
Northstar Corridor Commuter Rail Project, Minnesota	2,000,000
Northwest New Jersey-Northeast Pennsylvania Passenger Rail	10,000,000
Oceanside Escondido Rail Project, California	12,210,000
Odgen Avenue Transit Corridor/Circle Line, Illinois	1,000,000
Regional Fixed Guideway Project, Nevada	3,000,000
Rhode Island Integrated Commuter Rail Project, Rhode Island	6,000,000
San Francisco BART Extension to San Francisco International Airport, California	81,860,000
San Francisco Muni Third Street Light Rail Project, California	25,000,000
San Juan Tren Urbano, Puerto Rico	8,045,487
Santa Barbara Coast Rail Track Improvement Project, California	1,000,000
Schuykill Valley Metro, Pennsylvania	4,000,000
Seattle Sound Transit, Washington	80,000,000
Second Avenue Subway, New York	25,000,000
Silicon Valley Rapid Transit Corridor Project, Santa Clara County, California	6,500,000
Silver Line Phase III, Massachusetts	4,000,000
Sounder Commuter Rail, Washington	5,000,000
Southeast Corridor Multi-Modal Project (T–REX), Colorado	80,000,000
Stamford Urban Transitway, Connecticut	10,000,000
Triangle Transit Authority Regional Rail System (Raleigh-Durham), North Carolina	20,000,000
Washington County Commuter Rail Project, Oregon	15,000,000
West Corridor Light Rail, Colorado	5,000,000
Denali Commission	5,000,000

The conferees direct FTA to refrain from reallocating funds provided in fiscal year 2003 and prior year appropriations Acts for the Department of Transportation as follows:

Minneapolis, MN Northstar Corridor
Kenosha-Racine-Milwaukee Rail Extension Project
Washington Dulles Corridor Project
Bridgeport, Connecticut, Intermodal Transportation Center
Albuquerque/Greater Albuquerque, New Mexico Mass Transit and Light Rail
Las Vegas, Nevada, Resort Corridor Fixed Guideway
Indianapolis Northeast-Downtown Corridor project
Maryland, [MARC] Commuter Rail Improvements
Wilmington, DE, Downtown Transit Corridor Project
Wilmington, DE, Train Station Improvements

The conferees agree that FTA needed to change the new starts criteria, but reiterate the concern of the Senate in the way FTA implemented the new policy. The conferees direct FTA to report back to the House and Senate Committees on Appropriations as directed by the Senate on how FTA will address similar changes in the future.

The conferees direct FTA to refrain from signing any full funding grant agreement with a maximum Federal share higher than 60 percent.

ADMINISTRATIVE PROVISIONS—FEDERAL TRANSIT ADMINISTRATION

Section 140 exempts previously made transit obligations from limitations on obligations as proposed by both the House and the Senate.

Section 141 allows funds appropriated for capital investment grants not obligated by September 30, 2008, plus other recoveries, to be available for other projects under 49 U.S.C. 5209 as proposed by the Senate. The House did not include a similar provision.

Section 142 allows transit funds appropriated prior to October 1, 2005 that remain available for expenditure to be transferred to

another eligible purpose as proposed by the House and the Senate.

Section 143 allows prior year funds available for capital investment grants to be used in this fiscal year for such projects as proposed by the House. The Senate did not include a similar provision.

Section 144 addresses transit funds available to Alaska and Hawaii for ferry boats as proposed by the Senate. The House did not include a similar provision.

Section 145 makes technical changes to a grant made with prior year funds for Burlington, Vermont as proposed by the Senate. The House did not include a similar provision.

Section 146 makes technical changes to a grant made with prior year funds for Seattle, Washington as proposed by the Senate. The House did not include a similar provision.

Section 147 makes technical changes to funds made available to Charleston, South Carolina as proposed by the conferees.

Section 148 makes technical changes to prior year funds available to Jacksonville, Florida as proposed by the conferees.

Section 149 makes technical changes to prior year funds available to the South Shore Commuter Rail in Indiana as proposed by the conferees.

SAINT LAWRENCE SEAWAY DEVELOPMENT CORPORATION

OPERATIONS AND MAINTENANCE

(HARBOR MAINTENANCE TRUST FUND)

The conference agreement includes $16,284,000 for the Saint Lawrence Seaway Development Corporation as proposed by the House and Senate.

MARITIME ADMINISTRATION

MARITIME SECURITY PROGRAM

The conference agreement includes $156,000,000 for the maritime security program as proposed by the House and Senate.

OPERATIONS AND TRAINING

The conference agreement includes $122,249,000 for the Maritime Administration's operations and training account, instead of $112,336,000 as proposed by the House and $118,649,000 as proposed by the Senate. The conference agreement allocates the funds for operations and training as follows:

Activity	*Conference Amount*
U.S. Merchant Marine Academy:	
Salary and benefits	$23,750
Midshipmen program	7,032
Instructional program	5,746
Program direction and administration	2,945
Maintenance, repair & operating requirements	7,381
Capital improvements	15,000
Subtotal, USMMA	$61,854
State Maritime Schools:	
Student incentive payments	1,200
Direct schoolship payments	1,800
Schoolship maintenance and repair	8,211
Subtotal, State Maritime Academies	$11,211
MARAD Operations:	
Base operations	34,029
Enterprise architecture & IT security upgrades	4,963
GSA space	93
DOT Electronic Government	99
Marine Transportation System Advocate facility	10,000
Subtotal, MARAD Operations	$49,184
Total, Operations and Training	$122,249

SHIP DISPOSAL

The conference agreement includes $21,000,000 for the disposal of obsolete vessels of the National Defense Reserve Fleet as proposed by the House and Senate.

MARITIME GUARANTEED LOAN (TITLE XI) PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

The conference agreement includes $4,126,000 for administrative expenses of the maritime guaranteed loan program (Title XI), instead of $3,526,000 as proposed by the House and $4,726,000 as proposed by the Senate. The conference agreement modifies a Senate proposed reporting requirement regarding companies in ''Credit Watch''. In order to protect proprietary and sensitive business information that may cause direct financial and/or competitive harm, the companies shall not be specifically identified in the report. The conferees direct MARAD to provide the report within 90 days of enactment of this Act.

The conference agreement includes a new reporting requirement, due with the fiscal year 2007 budget submittal, that directs MARAD to detail funds provided or personnel detailed to the Office of the Secretary's credit council since its inception, by year.

SHIP CONSTRUCTION

(RESCISSION)

The conference agreement includes a rescission of unobligated balances totaling $2,071,280 from the dormant ship construction account as proposed by the House and Senate.

NATIONAL DEFENSE TANK VESSEL CONSTRUCTION PROGRAM

The conference agreement does not include funds for the National Defense Tank Vessel Construction Program authorized under Public Law 108–136, as proposed by the House. The Senate proposed $25,000,000.

ADMINISTRATIVE PROVISIONS—MARITIME ADMINISTRATION

Section 150 retains a provision proposed by the House and Senate that authorizes MARAD to furnish utilities and services and make necessary repairs in connection with any lease, contract, or occupancy involving Government property under control of MARAD, and allow payments received to be credited to the Treasury, as proposed by both the House and Senate.

Section 151 retains a provision proposed by the House and Senate that prohibits obligations incurred during the current year from construction funds in excess of appropriations contained in this or prior year appropriations Acts as proposed by both the House and Senate.

PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION

ADMINISTRATIVE EXPENSES

The conference agreement provides $16,877,000 for necessary administrative expenses of the Pipeline and Hazardous Materials Safety Administration (PHMSA), as proposed by the Senate instead of $17,027,000 as proposed by the House. Of this amount, $645,000 is to be derived from the Pipeline Safety Fund.

The conferees reduce the budget request by $150,000 to account for the transfer of an attorney to the office of general counsel for the office of emergency transportation litigation caseload.

HAZARDOUS MATERIALS SAFETY

The conference agreement provides $26,138,000 to continue the agency's hazardous materials safety functions, as proposed by the Senate instead of $26,183,000 as proposed by the House.

Spent nuclear fuel and high-level radioactive waste shipments.—The conferees deny funding for four new positions for activities related to assuring the safety of shipments of spent nuclear fuel and high-level radioactive waste to Skull Valley, Utah, as was requested in the budget. The conferees note the fact that the Bureau of Land Management still has yet to approve the transportation route to the site, which raises significant doubts about the ability for the site to be opened during fiscal year 2006 and the need for the requested positions.

Hazardous materials regulations compliance.—The conferees approve the three new positions to help ensure compliance with current hazmat regulations and the associated half-year funding.

PIPELINE SAFETY

(PIPELINE SAFETY FUND)

(OIL SPILL LIABILITY TRUST FUND)

The conference agreement provides $73,010,000 for the office of pipeline safety (OPS), instead of $72,860,000 as proposed by the House and $73,165,000 as proposed by the Senate.

The conferees approve seven of the additional positions requested for OPS, instead of five as proposed by the House and eight as proposed by the Senate.

Oil Spill Liability Trust Fund.—The conferees strongly agree with language contained in both the House and Senate reports expressing concern over the significant increases in the request of funds from the oil spill liability trust fund and the lack of justification for these increases in the budget documentation. The conferees once again direct the agency to include an itemization of how funds from the oil spill liability trust fund are being allocated within the OPS in the fiscal year 2007 budget justification.

EMERGENCY PREPAREDNESS GRANTS

(EMERGENCY PREPAREDNESS FUND)

The conference agreement provides a total of $14,500,000 for Emergency Preparedness Grants, as proposed by both the House and the Senate.

RESEARCH AND INNOVATIVE TECHNOLOGY ADMINISTRATION

RESEARCH AND DEVELOPMENT

The conference agreement provides $5,774,000 to continue research and development activities in fiscal year 2006, instead of $4,326,000 as proposed by both the House and the Senate, and stipulates that $1,121,000 of the funds provided shall be available until September 30, 2008. The agreement supports a staffing level of 28 full-time equivalent staff years (FTE).

The conferees reduce funding by $500,000 below the budget by denying the requested increase in hydrogen research.

BUREAU OF TRANSPORTATION STATISTICS

(LIMITATION ON OBLIGATIONS)

Under the appropriation of the Federal Highway Administration, the conference agreement provides $27,000,000 for the Bureau of Transportation Statistics (BTS).

As has been the practice in previous years, the conferees limit BTS staff to 122 FTE in fiscal year 2006 in order to curtail the significant growth in staffing that occurred previously within this agency.

The language relating to the collection of the motor carrier financial and operating statistics survey is addressed in the office of the secretary section of this Statement of the Managers, as proposed by the House, instead of under BTS as proposed by the Senate.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

The conference agreement includes $62,499,000 for the Office of Inspector General as proposed by the House and Senate.

SURFACE TRANSPORTATION BOARD

SALARIES AND EXPENSES

The conference agreement provides $26,450,000 for the Surface Transportation Board to fund salaries and expenses from a direct appropriation, instead of $26,622,000 as proposed by the House and $24,388,000 as proposed by the Senate. The conference agreement includes language that allows the Board to offset $1,250,000 of this appropriation from fees collected during the fiscal year, as proposed by both the House and the Senate.

ADMINISTRATIVE PROVISIONS—DEPARTMENT OF TRANSPORTATION

(INCLUDING TRANSFERS OF FUNDS)

Section 160 retains the provision as proposed by both the House and Senate that allows the Department of Transportation (DOT) to use funds for aircraft, motor vehicles, liability insurance, uniforms, or allowances, as authorized by law.

Section 161 retains the provision that limits appropriations for services authorized by 5 U.S.C. 3109 to the rate for an Executive Level IV, as proposed by the House and Senate.

Section 162 retains the provision that prohibits funds to be used for salaries and expenses of more than 108 political and Presidential appointees in DOT, instead of 100 appointees as proposed by the House and 109 appointees as proposed by the Senate. The provision also requires that none of the personnel covered by this provision may be assigned on temporary detail outside DOT, as proposed by the House and Senate.

Section 163 retains the provision as proposed by the House and Senate that prohibits funds from being used to implement section 404 of title 23, United States Code.

Section 164 retains the provision as proposed by the House and Senate that prohibits recipients of funds made available in this Act from releasing certain personal information and photographs from a driver's license or motor vehicle record, without express consent of the person to whom such information pertains; and prohibits the withholding of funds provided in this Act for any grantee if a State is in noncompliance with this provision.

Section 165 retains the provision that permits funds received by specified DOT agencies from States or other private or public sources for expenses incurred for training to be credited to certain specified agency accounts, as proposed by the House and Senate.

Section 166 retains the provision as proposed by the House and Senate that authorizes the Secretary of Transportation to allow issuers of any preferred stock sold to the Department to redeem or repurchase such stock upon the payment to the Department of an amount determined by the Secretary.

Section 167 retains the provision as proposed by the House and Senate that prohibits funds from being used to make a grant unless the Secretary of Transportation notifies the House and Senate Committees on Appropriations no less than three days in advance of any discretionary grant award, letter of intent, or full funding grant agreement totaling $1,000,000 or more.

Section 168 retains the provision that allows funds received from rebates, refunds, and similar sources to be credited to appropriations of the DOT, as proposed by the House and Senate.

Section 169 retains the provision as proposed by the House and Senate that allows amounts from improper payments to a third party contractor that are lawfully recovered by the DOT to be available to cover expenses incurred in the recovery of such payments.

Section 170 retains the provision that allows the Secretary of Transportation to transfer unexpended sums from ''Office of the Secretary, Salaries and Expenses'' to ''Minority Business Outreach'', as proposed by the House and Senate.

Section 171 retains the provision as proposed by the House and Senate that prohibits the Office of the Secretary of Transportation from approving assessments or reimbursable agreements pertaining to funds appropriated to the modal administrations in this Act, unless such assessments or agreements have completed the normal reprogramming process for Congressional notification.

Section 172 retains the provision as proposed by the House that prohibits the use of funds to implement an essential air service local cost share participation pilot program. The Senate included a similar provision in title VII.

Section 173 includes a provision similar to what was proposed by the Senate that amends Section 14711(c) of title 49 to allow DOT to be substituted for a State in civil actions to enforce certain consumer protection provisions. The House did not include a similar provision.

Section 174 includes a provision similar to what was proposed by the Senate that modifies title 23 relating to contracting for engineering and design services to no longer permit such services to be awarded under State qualifications. The House did not include a similar provision.

Section 175 retains a Senate provision making eligible for the FAA's Airport Improvement Program a project meeting certain specified requirements. The House did not include a similar provision.

Section 176 includes a Senate provision that allows a small hub to be eligible to receive terminal funding if the airport received a discretionary grant while the airport was designated as a non-primary airport. The House did not include a similar provision.

Section 177 retains a Senate provision amending title 49 to deem an air tour operator flying over the Hoover Dam to the Grand Canyon National Park as flying solely as a transportation route. The House did not include a similar provision.

Section 178 retains a Senate provision extending a requirement for air carriers to honor tickets for suspended air passenger service. The House did not include a similar provision.

Section 179 retains a Senate provision that allows former flight service station employees within two years of retirement to remain temporary FAA employees until they reach retirement eligibility. The House did not include a similar provision.

Section 180 retains a Senate provision that authorizes conveyance of land to establish a heliport in Clark County, Nevada. The House did not include a similar provision.

Section 181 retains a Senate provision amending section 29(c) of the Public Law 96–192. The House did not include a similar provision.

Section 182 includes a new provision that modifies a provision relating to the delivery of budget justifications.

Section 183 includes a new provision that modifies a provision relating to processing of reprogrammings.

Section 184 includes a new provision that modifies designations relating to certain highway projects in Vermont.

Section 185 modifies House language to provide up to a total of $17,000,000 to reimburse fixed based general aviation operators and providers of general aviation ground support services at five facilities that incurred financial losses when the Federal government closed the facilities due to the September 11, 2001 terrorist attacks. Each of the five facilities was closed to general aviation operations on September 11, 2001. Three airports in Maryland were reopened to such operations on March 2, 2002; the South Capitol Street Heliport was permanently closed to general aviation; and Ronald Reagan National Airport was reopened to general aviation operations on October 18, 2005.

It is the conferees intent that reimbursement cover the unilateral closures of these facilities after September 11, 2001. It is not the conferees intent to reimburse for closures resulting from a business operation or facility action or inaction. The conferees note without prejudice that DOT's September 2005 report estimated losses incurred through January 23, 2004 at $10,443,936. The Senate did not include a similar provision.

The language specifies that of the amount provided, up to $5,000,000 will be distributed, if necessary, to the fixed based operators and providers of general aviation ground support services at the three affected Maryland airports. Further, DOT is directed to verify direct and incremental financial losses through an independent audit no later than July 14, 2006 before any funds are provided. In addition, obligation and expenditure of funds are conditional upon full release of the government for all financial claims from the closing of these facilities.

Section 186 includes a new provision that modifies designations relating to certain highway projects in Alaska.

Section 187 includes a provision similar to what was proposed by the Senate that provides $1,000,000 from the amounts made available in Section 112 of this Act to conduct a study and issue a report relating to catastrophic hurricane evacuation plans. The House did not include a similar provision.

The conference agreement deletes a provision proposed by the Senate that would have reduced the fiscal year 2006 working capital fund limitation of DOT by $1,000,000.

The conference agreement deletes a provision proposed by the Senate that would have designated the city of Norman, Oklahoma, to be considered part of the Oklahoma City Transportation urbanized area.

The conference agreement deletes a provision proposed by the Senate that would have required the use of a sliding scale match ratio for certain transportation projects in the States of Idaho and Washington.

The conference agreement deletes a provision proposed by the Senate that would have modified the designation relating to a certain project in the State of New York.

The conference agreement deletes a provision proposed by the Senate that would have modified the designation relating to a certain project in the State of New York.

TITLE II—DEPARTMENT OF THE TREASURY

DEPARTMENTAL OFFICES

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides $196,592,000 for departmental salaries and expenses instead of $157,452,000 as proposed by the House and $197,591,000 as proposed by the Senate. Of the amount provided, not more than $3,000,000 is for travel expenses, not more than $3,000,000 is for information technology modernization, $258,000 is for emergencies or activities of a confidential nature, $5,173,000 is for Treasury-wide financial audits, and $100,000 is for reception and representation expenses.

For the activities under this heading, the conferees recommend the following funding levels:

Executive Direction	$8,642,000
General Counsel	7,852,000
Economic Policies	32,011,000
Financial Policies	26,574,000

Financial Crimes	39,939,000
Treasury-wide Management	16,843,000
Administration	63,731,000

Of the funds provided for the financial crimes activity, the conferees have agreed to include bill language providing $22,032,016 and not less than 125 full-time equivalent positions for the Office of Foreign Assets Control. The conferees direct that the Office of the Under Secretary for Terrorism and Financial Crimes shall be funded at no more than $1,998,000 to ensure that resources are directed to the operational offices. The conferees agree to the Senate provision, in lieu of the House provision, directing the Assistant Secretary for Intelligence and Analysis to report on the Office of Intelligence and Analysis within 90 days of enactment of this Act.

The conference agreement includes a provision allowing the Department to transfer up to two percent of funds available between activities. In addition, the conferees direct the Department, including all bureaus and offices and the Internal Revenue Service, to submit an operating plan 60 days after enactment of this Act for fiscal year 2006 resources. The plan must include by office and by activity, a comparison of fiscal year 2005 actual expenditures, the fiscal year 2006 budget request, and the fiscal year 2006 resources including full-time equivalent positions and appropriated funds, and all initiatives underway at the Department.

The conference agreement includes $1,000,000, available until expended, for combating trade violations, including currency manipulation as similarly proposed by the Senate.

The conference agreement does not include an increase of $720,000 for the Treasury media room and $1,000,000 for the building fund. The conferees agree that the Department must budget for capital expenses of the building, but have instead provided funds for the completion of the building renovation under a different account. The conferees direct the Department to include in the fiscal year 2007 budget request a proposal to fund building operations and maintenance expenses.

The conferees direct the Secretary to submit a report to the House and Senate Committees on Appropriations providing a legal basis for the application of section 1.148–1(c) of the United States Treasury Regulations (regarding arbitrage bond regulations) to the reserve funds held by the Clean Water and Safe Drinking Water State revolving funds which generally contain replacement proceeds but not bond proceeds. This report should be submitted by no later than 90 days after the date of enactment of this Act.

Of the funds provided for Financial Policies, $1,500,000 is for the e-Cavern partnership and $250,000 is for Treasury's public key infrastructure.

DEPARTMENT-WIDE SYSTEMS AND CAPITAL INVESTMENTS PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides $24,412,000 for systems and capital investments as proposed by the Senate instead of $21,412,000 as proposed by the House. The conferees direct the Department to provide detailed information on all systems, especially the TFIN project, in the operating plan as proposed by the House.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

The conference agreement provides $17,000,000 for salaries and expenses of the Office of Inspector General as proposed by the House instead of $16,722,000 as proposed by the Senate. Of the amounts provided, up to $2,000,000 may be used for travel, $100,000 may be used for emergencies or activities of a confidential nature, and up to $2,500 may be used for reception and representation expenses.

TREASURY INSPECTOR GENERAL FOR TAX ADMINISTRATION

SALARIES AND EXPENSES

The conference agreement provides $133,286,000 for salaries and expenses as proposed by both the House and the Senate. Of the amounts provided, $6,000,000 is for travel expenses, $500,000 is for emergencies, and $1,500 is for reception and representation expenses.

AIR TRANSPORTATION STABILIZATION PROGRAM ACCOUNT

The conference agreement provides $2,750,000, to remain available until expended, for the costs of the air transportation stabilization program instead of $2,942,000 as proposed by the Senate. The House did not include funds for this program.

TREASURY BUILDING AND ANNEX REPAIR AND RESTORATION

The conference agreement provides $10,000,000 for the repair and restoration of the Treasury building as proposed by both the House and the Senate.

FINANCIAL CRIMES ENFORCEMENT NETWORK

SALARIES AND EXPENSES

The conference agreement provides $73,630,000 for salaries and expenses as proposed by both the House and the Senate. Of the amounts provided, not more than $14,000 is for reception and representation expenses, $6,944,000 is available until September 30, 2008, and $8,521,000 is available until September 30, 2007.

FINANCIAL MANAGEMENT SERVICE

SALARIES AND EXPENSES

The conference agreement provides $236,243,000 for salaries and expenses as proposed by both the House and the Senate. Of the amounts provided, $9,220,000 is available until September 30, 2008 and $2,500 is available for reception and representation expenses.

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU

SALARIES AND EXPENSES

The conference agreement provides $91,126,000 for salaries and expenses as proposed by both the House and the Senate. Of the amounts provided, not more than $6,000 is for reception and representation expenses and $50,000 is for cooperative research.

UNITED STATES MINT

UNITED STATES MINT PUBLIC ENTERPRISE FUND

The conference agreement limits the amounts available for salaries and expenses to not more than $26,768,000 instead of $36,900,000 as proposed by the House and the Senate, based on a revised estimate of costs.

BUREAU OF THE PUBLIC DEBT

ADMINISTERING THE PUBLIC DEBT

The conference agreement provides $176,923,000 for costs associated with administering the public debt as proposed by both the House and the Senate. Of the amounts provided, not more than $2,500 is for reception and representation expenses and $2,000,000 is for systems modernization. The conference agreement includes $3,000,000 in user fees to offset the appropriated amounts and $70,000 from the Oil Spill Liability Trust Fund to reimburse the Bureau for various administrative expenses.

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS PROGRAM ACCOUNT

The conference agreement provides $55,000,000, available until September 30, 2007 as proposed by the Senate. The House proposed the same level of funding with one year availability. Of the amounts provided, up to $13,500,000 is for administrative costs, $6,000,000 is for direct loans, $250,000 is for administrative expenses of the direct loan program, and $4,000,000 is for technical assistance and other purposes for Native American, Native Hawaiian, and Alaskan Native communities. The conference agreement includes language that limits loan obligations of up to $11,000,000, as proposed by both the House and the Senate.

The conference agreement directs that the Bank Enterprise Award program be funded at no less than $11,000,000.

INTERNAL REVENUE SERVICE

PROCESSING, ASSISTANCE, AND MANAGEMENT

(INCLUDING RESCISSION OF FUNDS)

The conference agreement includes $4,136,578,000 for Processing, Assistance and Management as proposed by the Senate, instead of $4,181,520,000 as proposed by the House. The conferees direct IRS to consult with the House and Senate Committees on Appropriations prior to elimination, consolidation, or reorganization of the workforce and direct IRS not to proceed with any such activity unless explicitly approved by the Committees through the IRS operating plan.

The conferees direct the IRS, the IRS Oversight Board and the National Taxpayer Advocate to develop a 5-year plan for taxpayer service activities and report to the House and Senate Committees on Appropriations by April 14, 2006, as outlined in the Senate report. The plan should include long-term goals that are strategic and quantitative and that balance enforcement and service.

The conferees direct the IRS, in consultation with the National Taxpayer Advocate, to report by June 30, 2006 on uses of the Debt Indicator Tool—and whether it facilitates the use of refund anticipation loans (RALs)—the debt collection offset practice, the use of RALs, and evaluations of RAL alternatives, and use of debit cards for refunds, including recommendations on how to deliver tax refunds more quickly.

The conferees are aware that the IRS and the Free File Alliance have signed a new, four-year agreement under which IRS continues to agree not to enter the tax preparation market. The conferees direct IRS to abide by the terms and conditions of that agreement.

The conference agreement rescinds $20,000,000 in unobligated prior year balances from the Processing, Assistance and Management account.

TAX LAW ENFORCEMENT

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides $4,725,756,000 for Tax Law Enforcement as proposed by the Senate, instead of $4,580,216,000 as proposed by the House. Language providing $55,584,000 for the Interagency Crime and Drug Enforcement (ICDE) program is included, as proposed by House. The conference agreement permits the transfer of up to $10,000,000 for management of the ICDE program, as proposed by the House. In addition, the conference agreement allows for the transfer of up to $10,000,000 to the Social Security Administration as proposed by both the House and the Senate. The conference agreement includes language proposed by the Senate that designates $1,000,000 available until September 30, 2008, for research. The House did not include similar language.

The conferees direct IRS to report back to the House and Senate Committees on Appropriations on tax enforcement, including estimates for the entire program, enforcement

spending, workload indicators, direct tax enforcement-related revenue and an explanation of the methodology and accuracy of the estimates provided. The report shall be submitted by no later than 90 days after the date of enactment of this Act.

INFORMATION SYSTEMS

The conference agreement provides $1,598,967,000 for information systems instead of $1,575,146,000 as proposed by the House and $1,597,717,000 as proposed by the Senate. Within the amount provided, the conferees provide $1,250,000 for a vulnerability management solution that continuously discovers network exposures through an appliance-based technology, running a hardened operating system.

BUSINESS SYSTEMS MODERNIZATION

The conference agreement provides $199,000,000 for Business Systems Modernization as proposed by both the House and the Senate. Language is retained, proposed by both the House and the Senate, requiring a spend plan from the IRS prior to the release of these funds.

HEALTH INSURANCE TAX CREDIT ADMINISTRATION

(INCLUDING RESCISSION OF FUNDS)

The conference agreement provides $20,210,000 for administration of the Health Insurance Tax Credit program as proposed by both the House and the Senate.

The conference agreement rescinds $9,000,000 in unobligated prior year balances from the Health Insurance Tax Credit Administration account.

ADMINISTRATIVE PROVISIONS—INTERNAL REVENUE SERVICE

Section 201 retains a provision included by both the House and the Senate that provides transfer authority.

Section 202 retains a provision included by both the House and the Senate that requires IRS to maintain training in taxpayer service.

Section 203 retains a provision included by both the House and the Senate that requires IRS to safeguard taxpayer information.

Section 204 retains a provision included by both the House and the Senate that permits funding for 1–800 help line services and directs the Commissioner to make improving phone service a priority.

Section 205 amends a provision included by both the House and the Senate prohibiting funds to reduce taxpayer services until TIGTA completes a study on impacts to compliance.

Section 206 retains a provision included by the Senate that specifies $6,447,000,000 for enhanced tax enforcement. The House did not include a similar provision.

Section 207 amends a provision included by the Senate specifying $166,249,000 for operating expenses of the Taxpayer Advocate Service (TAS), of which $141,311,650 shall be made available from the Tax Law Enforcement account. The conferees direct the IRS to continue providing overhead support from accounts outside of TAS. The House did not include a similar provision.

Section 208 includes a provision requiring the IRS to submit its fiscal year 2007 budget justification in the existing account structure.

Section 209 retains a provision included by the Senate that repeals the limitation on user fees to supplement appropriations. The House did not include a similar provision.

The conference agreement deletes a provision included by the Senate that requires a tax enforcement report.

ADMINISTRATIVE PROVISIONS—DEPARTMENT OF THE TREASURY

(INCLUDING TRANSFER OF FUNDS)

Section 210 allows Treasury to purchase uniforms, lease vehicles, and engage in other activities pursuant to title 5 U.S.C. 5901 as proposed by both the House and the Senate.

Section 211 allows for the transfer of up to two percent of funds between Departmental Offices and the various Treasury bureaus, except the IRS as proposed by the Senate. The House did not include a similar provision.

Section 212 allows for the transfer of up to two percent from the IRS accounts to TIGTA as proposed by both the House and the Senate.

Section 213 directs that the purchase of vehicles be consistent with vehicle management principles.

Section 214 prohibits funds to be used to redesign the $1 note as proposed by both the House and the Senate.

Section 215 allows for the transfer of funds from ''Financial management service, salaries and expenses'' to the Debt Collection Fund conditional on future reimbursement as proposed by both the House and the Senate.

Section 216 extends the franchise fund for one year as proposed by both the House and the Senate.

Section 217 prohibits funds to build a United States Mint museum without the approval of the authorizing committees of jurisdiction as proposed by both the House and the Senate.

Section 218 prohibits funds for consolidating functions of the United States Mint and the Bureau of Engraving and Printing without the approval of the authorizing committees of jurisdiction as proposed by both the House and the Senate.

Section 219 prohibits funds to reallocate the funds provided to the Financial Crimes Enforcement Network (FinCEN), or merge FinCEN into the departmental offices as proposed by the Senate. The House did not include a similar provision.

TITLE III—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The conferees reiterate that the Department must limit the reprogramming of funds between the programs, projects, and activities within each account to not more than $500,000 without prior approval of the Committees on Appropriations. Unless otherwise identified in this Statement of Managers or Committee reports, the most detailed allocation of funds presented in the budget justifications is approved, with any deviation from such approved allocation subject to the normal reprogramming requirements. Further, it is the intent of the conferees that all carryover funds in the various accounts, including recaptures and de-obligations, are subject to the normal reprogramming requirements outlined above. Further, no changes may be made to any program, project, or activity if it is construed to be policy or a change in policy, without prior approval of the Committees on Appropriations. Finally, the conferees expect to be notified regarding reorganizations of offices, programs or activities prior to the planned implementation of such reorganizations, as well as be notified, on a monthly basis, of all ongoing litigation, including any negotiations or discussions, planned or ongoing, regarding a consent decree between the Department and any other entity, including the estimated costs of such decrees.

PUBLIC AND INDIAN HOUSING

TENANT-BASED RENTAL ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

The joint statement of the managers herein reflects the agreement of the conferees on tenant-based rental assistance. The conference agreement appropriates $15,573,655,725 for all tenant-based Section 8 (voucher) activities under the Tenant-Based Rental Assistance Account. The House proposed $15,631,400,000 and the Senate proposed $15,636,064,000 for these activities. Language is included designating funds provided as follows:

Activity	*Conference agreement*
Voucher Renewals	$14,089,755,725
Tenant Protection Vouchers	180,000,000
Administative Costs	1,250,000,000
(Administrative Fees)	(1,240,000,000)
Family Self-Sufficiency Coordinators	48,000,000
Working Capital Fund	5,900,000
Total, Tenant Based Rental Assistance	15,573,655,725

Section 8 Voucher Renewals.—The conference agreement includes $14,089,755,725 instead of $14,089,756,000 as proposed by the Senate and $14,189,756,725 as proposed by the House. The conferees continue the 2005 allocation method as proposed by the House. The Senate had proposed to revise the allocation methodology.

The conferees direct HUD not to use recaptures from any source or any project-based carryover to augment total 2006 funding for this account. In addition, the conferees direct HUD to provide all public housing agencies (PHAs) with a fixed, annual budget within which each agency must manage its voucher programs for fiscal year 2006. The conferees expect that Moving To Work (MTW) agencies will be funded based on their agreements and are subject to the same adjustments made to all other PHA annual budgets based on funding availability. HUD may make any necessary adjustments for the costs associated with the first-time renewals of tenant protection and HOPE VI vouchers in 2005. The conferees further direct the Department to commit the entire amount of funds provided for voucher renewals to the public housing authorities at the time annual budgets of the public housing authorities are established.

The conferees direct HUD to provide funds to PHAs based on the amounts PHAs would have received in fiscal year 2005 before any pro rata reductions, and adjusted for the 2005 AAF and the 2006 AAF for each PHA, plus the estimated number of first time renewals of vouchers that will enter the Tenant Based Rental Assistance Account from other forms of assistance. The conferees direct HUD, to the extent necessary, to pro rate each public housing agency's budget to stay within the amount appropriated.

The conference agreement includes up to $45,000,000 in funds to adjust the baseline amount for PHAs that for anomalous reasons, or unforeseen circumstances, were significantly under leased at the time the baseline was set. Examples include the timing of the PHAs fiscal year, portability or other unforeseen circumstances, including the assignment of a significant number of vouchers, which results in a sharp rise in costs. The Secretary has full discretion to determine the appropriate amount of adjustment. HUD is directed to report to the Committees on Appropriations on requests made by PHAs for adjustments to allocations and the final decisions made by the Department.

The conferees reiterate House report language that requires HUD to track and report on the extent to which subsidy changes are due to changes in rent costs and changes in tenant incomes.

Tenant Protection.—The conference agreement includes $180,000,000 for rental subsidies for tenant protection activities instead of $165,700,000 as proposed by the House and $192,000,000 as proposed by the Senate, to replace project-based Section 8 assistance with section 8 vouchers, for conversion of section

202 and section 23 projects to section 8 assistance, and for the family reunification program and for the witness protection program.

Administrative Fees.—The conference agreement includes $1,250,000,000 for public housing agencies' administrative costs and other expenses, instead of $1,225,000,000 as proposed by the House and $1,295,408,000 as proposed by the Senate. Language is included making up to $10,000,000, as proposed by the Senate, available to the Secretary to allocate to public housing agencies that need additional funds to administer their programs. The House had provided $25,000,000. The conferees direct the Department to specify the activities eligible for this funding in the notice to be issued within sixty days of enactment of this Act. The Senate did not include similar language. The conferees did not adopt language included in the House bill that allowed the transfer of up to $200,000,000 in tenant-based funds to the project based account.

Family Self Sufficiency Coordinators.—The conference agreement includes $48,000,000 for public housing agencies family self-sufficiency coordinator staff as proposed by the Senate instead of $45,000,000 as proposed by the House.

Working Capital Fund.—The conference agreement includes $5,900,000 for transfer to the Working Capital Fund as proposed by the House and Senate.

The conference agreement includes language proposed by the Senate that limits funds for litigation and settlements to $12,000,000. The House had more narrow language.

HOUSING CERTIFICATE FUND

(RESCISSION)

The conference agreement includes a rescission of $2,050,000,000 from unobligated balances and recaptures from prior-year appropriations provided in the tenant-based rental assistance and the project-based rental assistance accounts or any other account within this title. This rescission is to be effected no later than September 30, 2006. The House proposed to rescind $2,500,000,000 and the Senate proposed to rescind $1,500,000,000.

The conferees direct that the Department rescind funds provided to Section 8 programs in prior years to the maximum extent possible. The conference agreement does not include language proposed by the Senate to require that HUD and OMB salaries be reduced 10 percent if sufficient Section 8 funds are not available. Instead, language is included that directs HUD to notify the Committees on Appropriations 30 days in advance if unobligated balances in any other accounts will be required to implement the rescission.

PROJECT-BASED RENTAL ASSISTANCE

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $5,088,300,000 for project-based rental assistance activities as proposed by the House, instead of $5,072,100,000 as proposed by the Senate. The conference agreement provides funds as follows:

Activity	*Conference agreement*
Project-Based Contract Renewals	$4,939,700,000
Contract Administrators	147,200,000
Working Capital Fund	1,400,000
Total, Project-Based Rental Assistance	5,088,300,000

Language is included, similar to language proposed by the House and the Senate, designating $4,939,700,000 for renewals and amendment of section 8 project-based contracts, section 8 moderate rehabilitation contracts (including associated PHA administrative expenses), Emergency Low-Income Housing Preservation Reform Act (ELIHPRA) and Low-Income Housing Preservation Reform Act (LIHPRA) contracts, and section 441 single room occupancy contracts (including associated PHA administrative expenses).

Language is included, as proposed by the Senate, designating $147,200,000 for performance-based contract administrators. The conference agreement also includes language proposed by the House that would allow these funds for the inspection and administration of units funded through elderly and disabled, section 236, rent supplement and rental assistance programs and the section 202 loan programs.

The conference agreement assumes that project-based section 8 contract amendment funding requirements for fiscal year 2006 can also be met through the use of recaptures available in the Housing Certificate Fund, as proposed in the budget request. Language is included elsewhere in this title making funds available for such purpose.

The conference agreement does not include language proposed by the House that allowed up to $200,000,000 to be transferred from the tenant-based account to the project-based account.

The conferees direct that the Department conduct a study and prepare a report that describes the progress, if any, in improving the living conditions of the tenants of the Evergreen I and Evergreen II housing complexes in Joliet, Illinois, by the owners of such complexes. An interim report is required within six months of enactment of this Act. A final report is required within 12 months of enactment of this Act, which shall detail findings and recommendations, if any.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides $2,463,600,000 for the Public Housing Capital Fund, instead of $2,600,000,000 as proposed by the House and $2,327,200,000 as proposed by the Senate. Within the total funding the conference agreement includes:

—up to $8,820,000 to support the costs of existing administrative and judicial receiverships in effect as of the date of enactment of this Act, as proposed by the House and Senate;

—$11,000,000 for information technology systems instead of $10,000,000 as proposed by the House and $13,200,000 as proposed by the Senate; and

—up to $17,000,000 for emergency capital needs resulting from unforeseen emergencies or natural disasters in fiscal year 2006 as proposed by both the House and Senate. Additional language is included that was not in either the House or Senate proposal to add the word ''unpreventable'' to the definition of ''emergency''.

The conference agreement includes $38,000,000 for the Resident Opportunity Self-Sufficiency (ROSS) program, instead of $24,000,000 as proposed by the House and $45,000,000 as proposed by the Senate.

The conference agreement includes $7,500,000 for Neighborhood Networks grants similar to language proposed by the Senate, but does not include $1,000,000 for technical assistance grants. The House did not include separate funding for this activity. The conferees direct the Department to report to the Committees on Appropriations no later than July 15, 2006 on the effectiveness of this program in assisting low-income households in developing skills related to computer technology.

The conference agreement does not designate up to $20,000,000 for demolition, relocation and site remediation for obsolete and distressed public housing units as proposed by the Senate. The House did not include funds for this activity.

PUBLIC HOUSING OPERATING FUND

The conference agreement appropriates $3,600,000,000 for the Public Housing Operating Fund as proposed by the House instead of $3,557,300,000 as proposed by the Senate.

The conference agreement deletes language proposed by the House requiring HUD to implement the negotiated rule as described in the ''Post 4th Session Rule'' since HUD has postponed the effective date of the rule and has instead issued a letter that establishes broad participation by PHAs in developing the technical guidance to implement the rule. The conferees direct HUD to provide quarterly updates to the House and Senate Committees on Appropriations on the status of the implementing rule and directs that the Department include broad participation from impacted agencies.

The conference agreement directs that up to $10,000,000 be used for a program to provide bonus funding for PHAs that assist families in moving away from dependency on housing assistance programs, as proposed by the House. The Senate did not include a similar provision. The conferees expect the Department to allocate these funds through a Notice of Funding Availability that provides clear eligibility criteria for this program.

The conference agreement includes language that restricts funding to operations in fiscal year 2006 and includes language proposed by the Senate that would make this annual requirement permanent law.

The conferees note that HUD has yet to issue its guidance to implement section 151 of subtitle D of the Energy Policy Act of 2005, which extends the payback period for public housing authorities entering into energy performance contracts to 20 years. HUD is directed to issue the guidance implementing this section, within 45 days of enactment of this Act.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

The conference agreement appropriates $100,000,000 for the Revitalization of Severely Distressed Public Housing program (HOPE VI), instead of $150,000,000 as proposed by the Senate and $60,000,000 as proposed by the House. The conference agreement allows up to $2,000,000 may be used for technical assistance. Language is included making funds available for obligation until September 30, 2007.

The conferees believe it is time to consider alternative approaches to the HOPE VI program that provide flexible authority for PHAs to address obsolete housing as well as new tools for PHAs to develop mixed income housing.

NATIVE AMERICAN HOUSING BLOCK GRANTS

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $630,000,000 instead of $622,000,000 as proposed by the Senate and $600,000,000 as proposed by the House.

The conference agreement includes $4,500,000 for inspections, training, and technical assistance and $1,000,000 for the National American Indian Housing Council for technical assistance and capacity building. The House proposed $2,308,000 and $1,200,000 respectively for these activities. The Senate proposed $4,500,000 and $2,200,000 for these activities respectively.

The conference agreement requires that HUD distribute the needs portion of the formula distribution on the basis of either single race or multi race data whichever is the most advantageous to the grant recipient, as proposed by the House. Sufficient additional funds have been added to the base, along with uncommitted carryover from 2005, to ensure that no grantee is disadvantaged.

The conference agreement includes $2,000,000 for guaranteed loans to subsidize a total guaranteed loan principal of up to $17,926,000 as proposed by both the House and Senate and includes modified language transferring $150,000 to the Department's Salaries and Expenses Account, as proposed by the House.

The conference agreement includes no funds for transfer to the Working Capital Fund for information technology systems as proposed by the House instead of $2,600,000 as proposed by the Senate.

NATIVE HAWAIIAN HOUSING BLOCK GRANT

The conference agreement provides $8,815,000 for the Native Hawaiian Housing Block Grant as proposed by both the House and the Senate. The Senate included the funds as part of the Community Development Fund.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $4,000,000, to subsidize a loan limitation of up to $116,276,000 instead of $2,645,000 as proposed by the House and $5,000,000 as proposed by the Senate.

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $900,000 for guaranteed loans for Native Hawaiian housing, instead of $882,000 as proposed by the House and $1,000,000 as proposed by the Senate, to subsidize a total guaranteed loan principal of up to $35,714,290.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

The conference agreement appropriates $289,000,000 for Housing Opportunities for Persons with AIDS (HOPWA) instead of $290,000,000 as proposed by the House and $287,000,000 as proposed by the Senate. Up to $1,500,000 is provided for technical assistance instead of $1,000,000 as proposed by the House and $2,200,000 as proposed by the Senate. HUD is directed to distribute 90 percent of the funds through the formula and 10 percent through a national competition.

RURAL HOUSING AND ECONOMIC DEVELOPMENT

The conference agreement appropriates $17,000,000 for rural housing and economic development instead of $10,000,000 as proposed by the House and $24,000,000 as proposed by the Senate. Language is included requiring funds to be awarded competitively by September 1, 2006 as proposed by both the House and Senate.

COMMUNITY DEVELOPMENT FUND

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides $4,220,000,000 for the Community Development Fund, compared to $4,243,000,000 as proposed by the House, and $4,323,610,000 as proposed by the Senate. The conferees agree to the following:

Formula distribution of funds	$3,748,400,000
Economic Development Initiative Grants	$310,000,000
Transfer to the Working Capital Fund	$1,600,000
Indian Economic Block Grants	$60,000,000
Youthbuild	$50,000,000
Neighborhood Initiatives Program	$50,000,000

The conference agreement includes modified language making technical corrections to certain targeted economic development initiative grants funded under this heading in prior appropriations Acts, similar to language proposed by the House and the Senate.

The conference agreement includes language proposed by the House transferring up to $1,600,000 to the Working Capital Fund for development of and modifications to information technology systems. The Senate had proposed $3,000,000 for this transfer.

The conference agreement includes $60,000,000 for the Indian Economic Block Grant program, of which up to $4,000,000 is for emergencies. The House proposed $45,000,000 as part of the Native American Housing Block Grant program. The Senate proposed $69,000,000 for this grant program.

The conference agreement provides $50,000,000 for the Youthbuild program instead of $55,000,000 proposed by the Senate. The House did not include Youthbuild as a separate program.

The conference agreement includes language limiting the use of funds provided under this heading for planning, management and administration to not more than 20 percent of the funds provided except for amounts provided for certain activities as proposed by the House and the Senate.

The conference agreement includes $310,000,000 for the Economic Development Initiative with specific requirements on how these funds can be used. The conference agreement directs HUD to implement the Economic Development Initiatives program as follows:

1. $100,000 to the City of Anchorage, Alaska for facilities construction associated with the SAFE Center at Chester Creek;
2. $400,000 for Bean's Café in Anchorage, Alaska for the expansion of its kitchen;
3. $150,000 for the Alaska Botanical Garden in Anchorage, Alaska for expansion and renovation of its infrastructure;
4. $750,000 for the Bering Straits Native Corporation in Nome, Alaska for Cape Nome Quarry upgrades;
5. $950,000 for the Western Alaska Council, Boy Scouts of America in Anchorage, Alaska for construction of the Boy Scouts High Adventure Base Camp near Talkeetna, Alaska;
6. $750,000 for the construction of the Tongass Coast Aquarium;
7. $750,000 for Alaska Pacific University for the construction of a building;
8. $250,000 for the construction of the Alyeska Roundhouse in Girdwood, Alaska;
9. $500,000 for the People's Regional Learning Center in Bethel, Alaska to construct a vocational school and dormitories;
10. $500,000 for the Dillingham City School District in Dillingham, Alaska, to repair the gymnasium in the Dillingham middle/high school;
11. $250,000 National Children's Advocacy Center in Huntsville, Alabama for facilities planning and improvements to the advocacy center;
12. $200,000 to Chambers County, Alabama for the development of the Chambers County industrial park;
13. $400,000 to Clarke County, Alabama for an ongoing economic development project by the Clark Co. commission;
14. $200,000 to the City of Ashland, Alabama for the purchase of land for Ashland industrial development;
15. $300,000 to the City of Bear Creek, Alabama for industrial park expansion;
16. $150,000 to the City of Bessemer, Alabama for facilities renovation of an existing building at Jefferson State Community College;
17. $500,000 to the City of Decatur, Alabama for the Ingalls Harbor/Day Park Riverfront Renovation;
18. $200,000 to the City of Fort Payne, Alabama for facilities renovation of a building as part of the downtown revitalization project;
19. $100,000 to the City of Guntersville, Alabama for renovations to the Whole Backstage Theater;
20. $100,000 to the City of Huntsville, Alabama for land acquisition for downtown redevelopment;
21. $250,000 to the City of Montevallo, Alabama for facilities renovation and expansion of the Ramsay Conference Center at the University of Montevallo in Alabama;
22. $100,000 to the City of Montevallo, Alabama for sidewalks, street furniture, and facade improvements;
23. $1,000,000 to the City of Opelika, Alabama for the Northeast Opelika Industrial Park;
24. $150,000 to the City of Prattville, Alabama for the Prattville Waterfront Development Project to provide access to local waterways;
25. $100,000 to the City of Robertsdale, Alabama for upgrades to the PZK Civic Center;
26. $100,000 to the City of Shorter, Alabama for facilities construction and renovation of the Old Shorter School building to a community center;
27. $150,000 to the City of Thomasville, Alabama to construct a worker training center at Alabama Southern Community Center;
28. $275,000 to the City of Troy, Alabama for small business training at the Troy University Center for International Trade and Business Development;
29. $100,000 to the Huntsville Museum of Art, Alabama for facility renovations;
30. $75,000 to the Town of Mooresville, Alabama for rehabilitation, facility improvements, and build out of three buildings;
31. $400,000 for Construction and outfitting of the University of South Alabama's Mitchell School of Business Library in Mobile, Alabama;
32. $400,000 for construction and outfitting of the New Centurions, Inc. New Life for Women Shelter in Etowah County, Alabama;
33. $250,000 for the Greenville Family YMCA for child care facility acquisition, renovation, and construction in Greenville, Alabama;
34. $300,000 for the City of Evergreen for expansion of the Evergreen Conecuh County Library in Evergreen, Alabama;
35. $400,000 for the Fayette County Commission for the Fayette County Industrial Park in Fayette County, Alabama;
36. $200,000 for the Hayneville/Lowndes County Library Foundation for construction of a new library in Hayneville, Alabama;
37. $350,000 for the Jasper Area Family Services Center for construction of the Center in Jasper, Alabama;
38. $300,000 for the City of Tuskegee for Downtown Revitalization in Tuskegee, Alabama;
39. $400,000 for the Alabama Institute for the Deaf and Blind's Tuscaloosa Regional Center in Tuscaloosa, Alabama;
40. $250,000 for the City of Montgomery to develop the Montgomery Riverwalk in Montgomery, Alabama;
41. $250,000 for the Cleveland Avenue YMCA for facility expansion in Montgomery, Alabama;
42. $200,000 for the Wilcox County Industrial Development Authority for planning and development of its Industrial/Commercial Park;
43. $300,000 for the City of Guin in Wilcox County, Alabama for planning and development of its Industrial/Commercial Park;
44. $150,000 to Grand Prairie Center for the Arts and Allied Health, Phillips County Community College in Stuttgart, Arkansas for facility construction;
45. $150,000 to the City of Little Rock, Arkansas for facilities renovation and improvements to the community center at Granite Mountain;

46. $150,000 to the El Dorado Public Schools in El Dorado, Arkansas for the expansion of a recreational field;
47. $150,000 to the North Arkansas College, Harrison County, Arkansas for renovations to a Conference and Training facility;
48. $250,000 to Vada Sheid Community Development Center, ASU in Mountain Home, Arkansas for the community development center auditorium;
49. $800,000 for the Central Arkansas Resource Conservation and Development Council in Helena, Arkansas for the construction of the Phillips County Agricultural Storage Facility;
50. $200,000 for the Boys and Girls Club of Ouachita County, Arkansas for the construction of recreational facilities;
51. $200,000 for the City of Conway, Arkansas for downtown revitalization;
52. $200,000 for Audubon Arkansas for the development of the Audubon Nature Center at Gillam Park in Little Rock, Arkansas;
53. $600,000 to Chicanos Por La Causa in Phoenix, Arizona for redevelopment of the Nuestro Barrio Community;
54. $250,000 to Chicanos Por La Causa in Phoenix, Arizona for land acquisition and redevelopment of the East Washington Fluff site;
55. $250,000 to Pinal County, Arizona for the renovation and repair of the Pinal County Courthouse;
56. $350,000 to the City of Douglas, Arizona for facilities renovation of the Grand Theater;
57. $500,000 to the City of Eloy, Arizona for construction of a community center;
58. $250,000 to the City of Globe, Arizona for land acquisition and streetscape improvements;
59. $180,000 to the City of Scottsdale, Arizona for the renovation of the Vista del Camino Community Center;
60. $650,000 to the City of Sierra Vista, Arizona for construction of the Boys & Girls Club in Sierra Vista;
61. $150,000 to the Dunbar Coalition in Tucson, Arizona for the Dunbar Project;
62. $350,000 to Valley of the Sun YMCA in Phoenix, Arizona for facilities construction of a YMCA;
63. $150,000 to Chualar, California for construction of a multipurpose cultural room on the Chualar Elementary School campus;
64. $150,000 to Merced County, California for renovation of the George Washington Carver Community Center in Dos Palos, California;
65. $150,000 to Mono County, California for the Library Authority Board of Education for construction of a building;
66. $100,000 to San Bernardino County, CA for the development of the Santa Ana River Regional Park;
67. $200,000 to Solano County, California for renovation of two structures used by local veterans groups;
68. $150,000 to Taylor Yard Park in Los Angeles, California for recreational equipment and other park upgrades that will serve at-risk youth;
69. $250,000 to the City of Alhambra, California for development and construction of a park;
70. $1,000,000 to the City of Apple Valley, California for Civic Center Park development;
71. $250,000 to the City of Banning, CA for city pool improvements;
72. $350,000 to the City of Beaumont, CA for the construction of the Beaumont Sports Park;
73. $200,000 to the City of Bell Gardens, California for renovation and update of facilities;
74. $100,000 to the City of Bishop, California for improvements to City housing;
75. $75,000 to the City of Chino, California for construction of a facility for the Hillview Acres Children's Home;
76. $150,000 to the City of Chowchilla, California for reconstruction of an industrial park;
77. $80,000 to the City of Colfax, California for an expansion of the Youth Center;
78. $150,000 to the City of Colton, California for improvements to Veterans Park;
79. $100,000 to the City of Corona, California for the renovation of the Old City Hall;
80. $1,000,000 to the City of Crescenta Valley, California for the ongoing construction of a new library;
81. $350,000 to the City of Davis, California; to complete the design and construction of Shafter Research and Extension Center at the University of California, Davis;
82. $250,000 to the City of Diamond Bar, California for the renovation of the Diamond Bar High School and Community Sports Field;
83. $150,000 to the City of East Palo Alto, California for the construction of facilities for community services;
84. $350,000 to the City of El Monte, California for construction of a community gymnasium;
85. $250,000 to the City of Encinitas, California for the construction of a visitor center in the San Elijo Lagoon Open Space Preserve;
86. $250,000 to the City of Greenfield, California for construction of a multipurpose community facility;
87. $100,000 to the City of Huntington Beach, California for the planning and design phase of a senior center;
88. $200,000 to the City of Huntington Park, California for renovation of a recreation center building;
89. $500,000 to the City of Idyllwild, California for building cabins and dining hall improvements at Ronald McDonald camp;
90. $200,000 to the City of Inglewood, California for construction of a new senior center;
91. $75,000 to the City of La Habra, California to rehabilitate the La Habra Vista Grande Park;
92. $150,000 to the City of La Mirada, California for construction of an aquatic center;
93. $250,000 to the City of Lake Morena, California for the design of a residential facility for homeless youth;
94. $250,000 to the City of Lancaster, California for installations related to the baseball complex;
95. $100,000 to the City of Lancaster, California for improvements to the Boys and Girls Club of Antelope Valley;
96. $100,000 to the City of Lompoc, California to construct a new C.N.A. training center;
97. $50,000 to the City of Lompoc, California to construct an elevator for a building that serves the disabled;
98. $150,000 to the City of Long Beach, California to develop an exhibit to educate the public on the importance of ports;
99. $125,000 to the City of Los Angeles, California for the Esperanza Community Maple-Mae Project;
100. $400,000 to the City of Los Angeles, California for site acquisition and development;
101. $100,000 to the City of Madera, California to construct a youth center for at risk youth;
102. $200,000 to the City of Mariposa, California for preservation of the CA Mining and Mineral Museum;
103. $150,000 to the City of Mendota, California for construction of the Rural Vocational Training Facility (RVTF);
104. $50,000 to the City of Oak View, California for rehabilitation of the multi-purpose room and kitchen of the Oak View Park and Resource Center;
105. $150,000 to the City of Oakland, California for renovation of historic Fruitvale Masonic Temple;
106. $200,000 to the City of Oceanside, California for a Senior Center facility to serve seniors from Oceanside, Vista, Carlsbad and San Marcos;
107. $100,000 to the City of Oroville, California for Vega Center renovations;
108. $200,000 to the City of Pico Rivera, California for the expansion of the California senior center;
109. $200,000 to the City of Placerville, California for Gold Bug Park Renovations;
110. $250,000 to the City of Redding, California to develop the Stilwater business park;
111. $100,000 to the City of Riverside, California for the development of a Technology Center within University Research Park;
112. $100,000 to the City of Riverside, California for facility construction of the School for Nursing at Riverside Community College;
113. $100,000 to the City of Riverside, California for construction of a pedestrian bridge in the California Citrus State Park;
114. $400,000 to the City of Sacramento, California for construction of the Sacramento Food Bank;
115. $100,000 to the City of San Bernardino, California for Renovations to National Orange Show stadium;
116. $100,000 to the City of San Fernando, California for revitalization of downtown San Fernando;
117. $300,000 to the City of San Jacinto, California for improvements to city museum/Estudillo property;
118. $150,000 to the City of San Jose, California to the construction of a community center in a low and moderate-income area;
119. $350,000 to the City of San Leandro, California for streetscape and pedestrian safety improvements;
120. $150,000 to the City of San Pedro, California for streetscape and other improvements along Gaffey Street;
121. $500,000 to the City of Santee, California for construction of a new Boys and Girls Club facility at East County;
122. $100,000 to the City of Stockton, California for the Oasis of Hope Community Development Corporation education project;
123. $125,000 to the City of Tehachapi, California for design and construction of a performing arts center;
124. $100,000 to the City of Thousand Oaks, California to construct a community aquatics complex on the campus of California Lutheran University;
125. $100,000 to the City of Tulare, California to expand educational activities with the College of Sequoias and the California Polytechnic University;
126. $40,000 to the City of Tulare, California for modernization of the veterans hall;
127. $250,000 to the City of Twentynine Palms, California for Development of a Visitors Center;
128. $100,000 to the City of Visalia, California for construction of a new facility to provide shelter for homeless women and children;
129. $100,000 to the City of Vista, California Solutions Family Intake/Access Center for homeless families and their children;
130. $350,000 to the City of Yucaipa, California for development and construction of the Yucaipa/Crafton Hills College Recreational Facility;
131. $350,000 to the City of Yucaipa, California for development of the Yucaipa Valley Regional Sports Complex;
132. $150,000 to the Community Action partnership of Orange County in Garden Grove, California for acquisition, construction, or rehabilitation of a service facility;

133. $200,000 to the Department of Economic Development in Rancho Cordova, California for Cordova Senior Center Expansion;

134. $250,000 to the Earle Baum Center of the Blind, Inc. in Santa Rosa, California to build a center for the visually impaired;

135. $250,000 to the Lake County Arts Council in Lakeport, California for renovation of the Lakeport Cinema to a Performing Arts Center;

136. $500,000 to the Museum of Latin American Art in Long Beach, California to complete the renovation of the Museum;

137. $150,000 to the San Diego Housing Commission in San Diego, California for the HOPE Village Project to construct a 20-unit housing complex to house homeless individuals;

138. $150,000 to the Santa Barbara County Food bank in Santa Barbara, California for expansion and upgrades to its facility;

139. $550,000 to the Skirball Cultural Center in Los Angeles, California for development and construction of Noah's park;

140. $250,000 to the Town of Yucca Valley, California for development and construction of the South Side Community Center;

141. $200,000 to the Valley Alliance for the Arts in San Fernando Valley, California for construction of a performing arts center;

142. $200,000 to the Youth Science Institute Center in San Jose, California for building renovations;

143. $250,000 for the 10th and Mission Affordable Family Housing & Commercial Space Project, for the development of housing units and commercial space, Mercy Housing, San Francisco, California;

144. $200,000 for the City of Inglewood, California to construct a Senior Center;

145. $200,000 for the San Francisco Museum and Historical Society Old Mint Restoration Project for planning, design and construction, California;

146. $150,000 for the Fresno County Economic Opportunities Commission, Fresno, CA, for construction of the Neighborhood Youth Center;

147. $600,000 for the City of Oakland, CA for the Fox Theater Restoration;

148. $200,000 for the City of Redding, CA for the Stillwater Business Park;

149. $200,000 for the West Angeles Community Development Corporation, CA for the development of the West Angeles Plaza;

150. $100,000 to the Housing Trust of Santa Clara County, CA, for the First Time Home Buyer Loan Program;

151. $175,000 for the San Francisco Fine Arts Museums, CA, for M.H. de Young Memorial Museum construction;

152. $175,000 for the Agua Caliente Cultural Museum, Palm Springs, CA for construction;

153. $160,000 to the City of Montrose, Colorado for expansion of a research park for Mesa State University;

154. $240,000 to the City of Pueblo, Colorado for redevelopment of recreation and park facilities;

155. $250,000 to the City of Wellington, Colorado for construction and renovation of rehabilitation facilities;

156. $150,000 to the Denver Rescue Mission in Denver, Colorado for acquisition and renovation of an emergency shelter;

157. $300,000 for the City of Denver, Denver Rescue Mission for the Acquisition and Renovation of Emergency and Transitional Housing for Colorado's Homeless population;

158. $150,000 to the City of Ansonia, Connecticut for construction of a new community space;

159. $350,000 to the City of Bridgeport, Connecticut for relocation of the Music and Arts Center for the Humanities to a now-vacant department store;

160. $100,000 to the City of Bridgeport, Connecticut for planning and implementation of a Neighborhood Revitalization Zone (NRZ);

161. $100,000 to the City of Bridgeport, Connecticut to complete the renovation of the former CT state armory facility;

162. $100,000 to the City of Ellington, Connecticut for construction of a new YMCA in an underserved area;

163. $250,000 to the City of Farmington, Connecticut for Hill-Stead Museum Renovation and Security Improvements;

164. $100,000 to the City of New Britain, Connecticut for the renovation of 85 Arch Street by the Friendship Service Center of New Britain;

165. $100,000 to the City of Norwalk, Connecticut for the Human Services Council to redevelop facilities for affordable housing;

166. $250,000 to the City of Stamford, Connecticut for renovations to the Palace Theatre;

167. $100,000 to the City of Stamford, Connecticut for repairs to the Yerwood Community Center;

168. $100,000 to the City of Waterbury, Connecticut for renovations to the Mattatuck Museum to create an exhibit on the history of Brass Valley;

169. $450,000 to the Naugatuck YMCA in Naugatuck, Connecticut for upgrades and other facilities expansion;

170. $100,000 to the Town of Sherman, Connecticut for reconstruction of the Sherman town library;

171. $350,000 to the Town of Stonington, Connecticut for the construction of south pier at Stonington Town Dock Complex;

172. $350,000 to the Town of Willington, Connecticut for the expansion of low-income senior housing;

173. $300,000 to the University of Hartford in Hartford, Connecticut for facilities construction and renovation of the Hartt Performing Arts Center;

174. $450,000 for the City of Hartford, Connecticut for the Hartford Homeownership Initiative;

175. $200,000 for the City of Hartford, Connecticut for the renovation of the Mark Twain House Building;

176. $300,000 for the City of Ansonia, Connecticut for the renovation of the Ansonia Armory;

177. $250,000 for the City of West Haven, CT, for the redevelopment of residential housing;

178. $250,000 for the City of Stamford, CT, for renovations to the Yerwood Community Center;

179. $250,000 for the Town of Southbury, CT, for renovations to the Bent of the River Audubon Center;

180. $200,000 for the City of Hartford, CT, for neighborhood restoration activities undertaken by the Southside Institutions Neighborhood Alliance;

181. $250,000 to the African American Civil War Museum in Washington, DC for capital improvements to the facility and visitors center;

182. $200,000 to New Castle County, Delaware for renovations to the Wilmington Senior Center;

183. $250,000 to Sussex County, Delaware for the renovation of Beebe Medical Center;

184. $250,000 for the Ministry of Caring, House of Joseph II, in Wilmington, DE for the renovation/operation of the facility;

185. $200,000 to the St. Michaels School and Nursery, Wilmington, DE, for expansion of the school;

186. $200,000 to the Wilmington Senior Center, Wilmington, DE, for the completion of the renovation of the Lafayette Court Senior Apartments project;

187. $250,000 for Easter Seals Delaware & Maryland's Eastern Shore for the construction of the new Easter Seals Facility in Georgetown, Delaware;

188. $200,000 for the Wilmington Music School for the Music School Expansion in Wilmington, Delaware;

189. $200,000 to the City of Lewes for the Lewes Canalfront Park in Lewes, Delaware;

190. $350,000 to Brevard County, Florida for construction of a marine and coastal research center at Hubbs/Sea World;

191. $75,000 to Brevard County, Florida for the construction of Crosswinds youth center;

192. $200,000 to Goodwill of North Florida, Inc. in Jacksonville, Florida for the expansion of its facility;

193. $100,000 to Hillsborough County, FL for construction of an agricultural worker center;

194. $200,000 to Lake County, FL for construction of a library;

195. $500,000 to Miami-Dade County, Florida for construction of a new building for the Centro Mater Foundation;

196. $250,000 to Pinellas County, Florida for the renovation of Palm Harbor Public Library;

197. $25,000 to the City of Alachua, Florida for the construction of the Veterans' Memorial at City Hall;

198. $250,000 to the City of Bartow, Florida for the redevelopment of downtown Bartow;

199. $250,000 to the City of Boca Raton, Florida for infrastructure improvements for Pearl City;

200. $96,300 to the City of Coral Gables, Florida for the renovation of historic Biltmore Hotel;

201. $100,000 to the City of DeBary, Florida for construction of a Gateway Center for the Arts;

202. $500,000 to the City of Dunedin, FL for construction of a new community center;

203. $250,000 to the City of Elfers, Florida to replace the Community Aging & Retirement Services, Inc building;

204. $200,000 to the City of Ft. Myers, Florida for the redevelopment of Edison & Ford Estates;

205. $250,000 to the City of Gainesville, Florida for the expansion of the Fine and Applied Arts Educational Building at Santa Fe Community College;

206. $400,000 to the City of Gainesville, Florida for renovations and historic preservation of James Norman Hall at the University of Florida, Gainesville;

207. $200,000 to the City of Gulfport, Florida for renovations to City of Gulfport Scout Hall;

208. $200,000 to the City of Hollywood, Florida for the construction and development of the Young Circle Arts Park project;

209. $150,000 to the City of Homestead, Florida for upgrades to the Dade County water and sewer infrastructure;

210. $75,000 to the City of Marathon, Florida for the redevelopment of Boot Key Municipal Harbor;

211. $250,000 to the City of Miami Gardens, Florida for revitalization of the business district;

212. $100,000 to the City of Miami Springs, Florida for the construction of a hurricane shelter;

213. $250,000 to the City of Miami, Florida for the elderly assistance program;

214. $250,000 to the City of Naranja, Florida to construct a facility at Camillus House;

215. $250,000 to the City of New Port Richey, Florida for the renovation of Good Samaritan Health Clinic of Pasco, Inc;

216. $300,000 to the City of Ocala, Florida for improvements to the Fine Arts Center at Central Florida Community College;

217. $250,000 to the City of Ocoee, Florida for construction of a senior citizens veterans service center;

218. $100,000 to the City of Osceola County, Florida for the completion of Osceola County Homeless Shelter;

219. $100,000 to the City of Osceola County, Florida for the construction of a senior citizen center;

220. $100,000 to the City of Pensacola, Florida for construction of the YMCA of Greater Pensacola;
221. $250,000 to the City of Pinellas County, Florida for construction of Joe's Creek Greenway Park;
222. $300,000 to the City of Riviera Beach, Florida for site acquisition and improvements for commercial revitalization;
223. $250,000 to the City of Sarasota, Florida for renovations to the Robert L. Taylor Community Center;
224. $200,000 to the City of Seminole, Florida for the development of a Science and Nature Park at St. Petersburg College;
225. $250,000 to the City of St. Petersburg Beach, Florida for construction of a new Community Center;
226. $100,000 to the City of St. Petersburg, Florida for planning and design of Albert Whitted Waterfront Park;
227. $125,000 to the City of Treasure Island, Florida for construction of beach walkovers;
228. $250,000 to the City of Winter Haven, Florida for improvements to the downtown business district;
229. $150,000 to the Tangerine Avenue Community Redevelopment Area in St. Petersburg, Florida for the redevelopment of the Tangerine Avenue Community Area;
230. $400,000 to Wakulla County, Florida for construction of the multi-purpose community center;
231. $500,000 for Orange County, FL for Central Receiving Center to renovate single occupancy rooms;
232. $500,000 for the Lowry Park Zoological Society, Tampa, FL for business development initiative;
233. $300,000 for the Central Florida YMCA to expand and renovate the Wayne Densch YMCA Family Center;
234. $250,000 for Miami Dade College and the construction of a library at their Hialeah, Florida campus;
235. $250,000 for Nova Southeastern University in Florida for the Center for Collaborative Bio-Medical Research;
236. $600,000 for the City of Coral Gables, Florida for the Biltmore Complex Restoration Project;
237. $400,000 for the City of Orlando, Florida for the Parramore Neighborhood Revitalization Project;
238. $250,000 for Miami Dade County, Florida for the Miami Performing Arts Center;
239. $250,000 for the American Beach Property Owners' Association, Fernandina Beach, Florida for the Historic Evans Rendezvous Cultural Center Restoration Project;
240. $200,000 for the City of Gainesville, Florida for the Downtown Revitalization Project;
241. $200,000 for the Florida Memorial University, Miami, Florida: West Augustine Initiative;
242. $200,000 to Clarkston Community Center in Dekalb County, Georgia for renovation of Clarkston Community Center;
243. $150,000 to Clayton County, Georgia for renovation of the Clayton Senior Center;
244. $400,000 to Morehouse School of Medicine in Atlanta, Georgia for land acquisition to revitalize its West End neighborhood;
245. $250,000 to Paulding County, Georgia for site preparations;
246. $175,000 to SOWEGA Council on Aging in Albany, Georgia for facility construction;
247. $100,000 to the City of Atlanta, Georgia for development of land for Morehouse School of Medicine;
248. $50,000 to the City of Atlanta, Georgia for development of land for Morehouse School of Medicine;
249. $150,000 to the City of Augusta, Georgia for a Hope House facility for therapeutic childcare;
250. $100,000 to the City of Covington, Georgia for renovation and construction of a resource center;
251. $100,000 to the City of Marietta, Georgia for the city redevelopment of Marietta Growth Fund;
252. $100,000 to the City of Powder Springs, Georgia to refurbish the Ford Center;
253. $275,000 to the City of Savannah, Georgia for the renovation of a building annex to house a library and computer lab;
254. $75,000 to the City of Savannah, Georgia for revitalization of the Central Georgia Railway for Coastal Heritage Society;
255. $75,000 to the City of Tybee Island, Georgia for a new facility for the Georgia 4–H Foundation;
256. $250,000 to the City of Warner Robins, Georgia for the construction of a WWII exhibit and depot flight line for the Museum of Aviation;
257. $250,000 to the Community Service Board of Middle Georgia for construction of a girls crisis center;
258. $225,000 to the Infantry Museum and Heritage Park in Columbus, Georgia for construction/development of National Infantry Museum and Heritage Park;
259. $200,000 for Mercer University, Macon, Georgia for Critical Personnel Development Program (CPDP);
260. $200,000 for the Atlanta, Georgia Intergenerational Resource Center for a senior housing project;
261. $200,000 for the Warner Robins, Georgia Museum of Aviation for expansion of aviation flight and technology center;
262. $200,000 City of Moutri, Georgia for a community and economic development initiative;
263. $200,000 Morehouse School of Medicine for West End Community Development;
264. $500,000 Atlanta Symphony Orchestra, Georgia for the Atlanta Symphony Center expansion;
265. $150,000 to the Children's Justice Center Foundation in Honolulu, Hawaii for renovation of a building to provide services to victims of child abuse and neglect;
266. $150,000 to the County of Hawaii in Kailua-Kona, Hawaii for construction of a homeless shelter;
267. $650,000 for the Boys & Girls Club of Hawaii, Honolulu, HI, for planning, design and construction of the Nanakuli Boys & Girls Club;
268. $300,000 for Pa'a Pono Miloli'I to construct a community and youth center;
269. $300,000 for the Children's Justice Center Foundation to construct and renovate the child counseling center on Oahu;
270. $300,000 for the Maui Economic Development Board to renovate the enterprise building;
271. $300,000 for the Kauai YMCA to construct facilities;
272. $200,000 for the Lanai Youth Center to acquire and construct activity facilities;
273. $200,000 for the County of Hawaii for the renovation of a Caregiver and Senior Resource Center;
274. $300,000 for Hale Mahaolu Ehiku to construct affordable rental housing for senior citizens;
275. $450,000 to Iowa City, Iowa for the establishment of a service center for Systems Unlimited, Inc to aid disadvantaged families;
276. $450,000 to the city of Cedar Rapids, Iowa for redevelopment of southern Cedar Rapids;
277. $400,000 to the City of Des Moines, Iowa for land acquisition for a technology park;
278. $750,000 for the City of Clinton, Iowa, for redevelopment of Liberty Square;
279. $250,000 for the National Cattle Congress, Waterloo, Iowa, for renovation and construction of facilities;
280. $400,000 for the City of Waterloo, Iowa, for the acquisition and rehabilitation of the Cedar Valley TechWorks facility;
281. $300,000 for the City of Des Moines, Iowa, for the Riverpoint West development;
282. $300,000 for the City of Fort Dodge, Iowa for the Lincoln Neighborhood housing initiative;
283. $1,000,000 to the Iowa Department of Economic Development for the Main Street Iowa program for restoration of structures on main streets throughout the state;
284. $750,000 to Polk County, Iowa for the purchase and rehabilitation of housing for low income people;
285. $200,000 to the Heartland Hill Habitat for Humanity in Brehmer County, Iowa for the renovation of deteriorated housing for low income housing;
286. $300,000 to the City of Council Bluffs, Iowa for downtown historic building renovation;
287. $100,000 to Franklin County, Idaho for restoration of Oneida Stake Academy for historic renovations;
288. $45,000 to the City of Franklin, Idaho for repairs to historic City Hall;
289. $150,000 to the City of Lewiston, Idaho for completion of the Lewis and Clark Bicentennial Project Planning and Implementation;
290. $100,000 to the City of Pocatello, Idaho for renovations to the Greater Pocatello Senior Center;
291. $350,000 to the City of Rexburg, Idaho for construction of recreational facilities and handicap accessibility;
292. $1,000,000 for Ada County, Idaho for development of the Family Justice Center and the Detox Center;
293. $1,000,000 for the Clearwater Economic Development Association for the implementation of the Lewis and Clark Bicentennial Plan;
294. $1,000,000 for Boise State University for construction of the Center for Environmental Science and Economic Development;
295. $1,000,000 for the Idaho Migrant Council for planning, design, and construction of the Burley Community Center, Burley, Idaho;
296. $250,000 to Western Illinois University Quad City Campus in Moline, Illinois for renovations of facilities;
297. $250,000 to Coles County, Illinois for construction of Lifespan Center for seniors;
298. $100,000 to Northeastern Illinois University in Chicago, Illinois for a feasibility study on planning and design analysis for a new education building;
299. $200,000 to Pioneer Center Group Home in McHenry County, Illinois for upgrades at to a group home;
300. $150,000 to Seguin Services in Cicero, Illinois for construction of a garden center;
301. $200,000 to the Avalon Park School in Chicago, Illinois for construction of a child-parent center;
302. $900,000 to the Chicago Academy High School in Chicago, Illinois for construction of a campus park;
303. $150,000 to the Chicago Children's Advocacy Center in Chicago, Illinois for expansion of its facilities;
304. $150,000 to the Chicago Park District in Chicago, Illinois for land acquisition and facilities improvements to expand a park;
305. $200,000 to the Chicago Park District in Chicago, Illinois for land acquisition and facilities improvements for the expansion of a park;
306. $80,000 to the City of Beardstown, Illinois for construction of the Grand Opera House Beardstown Historical Society;
307. $200,000 to the City of Bloomingdale, Illinois for the renovation of Marklund Children's Home;
308. $100,000 to the City of Collinsville, Illinois for completion of the Collins Home Project;
309. $500,000 to the City of Downers Grove, Illinois for improvements to Ray Graham Association for People With Disabilities;
310. $100,000 to the City of East Moline, Illinois for revitalization of downtown;

311. $225,000 to the City of Harvey, Illinois for demolition and redevelopment of property to aid the community;
312. $150,000 to the City of Hudson, Illinois for construction of Timber Pointe Outdoor Center;
313. $250,000 to the City of Jacksonville, Illinois for renovation to Crampton Hall at Illinois College;
314. $250,000 to the City of Joliet, Illinois for repairs to Rialto Square Theater;
315. $100,000 to the City of Lincoln, Illinois for the restoration of the Earl C. Hargrove Auditorium at Lincoln Christian College;
316. $200,000 to the City of Naperville, Illinois for the DuPage Children's Museum for building renovations;
317. $75,000 to the City of Naperville, Illinois for Our Children's Homestead to construct new foster care homes;
318. $250,000 to the City of Peoria, Illinois for design and construction of Central Illinois Regional Museum;
319. $250,000 to the City of Peoria, Illinois for renovations to Bradley Hall at Bradley University;
320. $250,000 to the City of Peoria, Illinois for design and construction of Africa exhibit at Glen Oak Zoo;
321. $100,000 to the City of Peru, Illinois for construction of the Horizon House;
322. $100,000 to the City of Quincy, Illinois for the design and construction of an Art and Sciences Center at Quincy University;
323. $150,000 to the City of Rockford, Illinois for the expansion of laboratories and public viewing areas at Burpee/Discovery Center Museum;
324. $200,000 to the City of Shawneetown, Illinois for construction of a facility at Shawneetown Regional Port District;
325. $150,000 to the City of Wheaton, Illinois for renovation of the County of DuPage's nursing facility to be used for nurses training center;
326. $500,000 to the City of Yorkville, Illinois for the redevelopment of a Yorkville site;
327. $75,000 to the City of Crest Hill, Illinois for redevelopment of Division Street;
328. $75,000 to the Home of the Sparrow in Lake, Illinois for the renovation of a homeless shelter;
329. $75,000 to the Inner Voice in Chicago, Illinois for upgrades to homeless shelters on the South Side of Chicago;
330. $100,000 to the Village of Hazel Crest in Hazel Crest, Illinois for the redevelopment of the area around Hazel Crest Metra Station;
331. $160,000 to the Village of Orion, Illinois for lead-based paint removal;
332. $75,000 to the Village of South Jacksonville, Illinois for construction of a playground and park for disabled children;
333. $500,000 for the Looking for Lincoln Heritage Coalition in Springfield, IL, for the Looking for Lincoln economic development and tourism initiative;
334. $800,000 for the Peace and Education Coalition in Chicago, IL, for construction of a new facility to serve San Miguel Schools in the City's Back of the Yards neighborhood;
335. $300,000 to the Haymarket Center in Chicago, IL, for construction and establishment of the McDermott Addiction Center;
336. $200,000 for the Quincy Public Library in Quincy, IL, for a newspaper digitization and community education project;
337. $200,000 to the Community Foundation of Decatur/Macon County, Illinois for construction and rehabilitation of housing facilities for the homeless and disabled;
338. $200,000 to the Heartland Community Health Center in Illinois for equipment and facilities to expand services;
339. $250,000 to the Chicago Historical Society in Illinois for construction of a new Chicago History Exhibition and redevelopment of current facilities;
340. $200,000 for Home Sweet Home Ministries—Threshold program located in the City of Bloomington, IL for the construction of an additional housing facility;
341. $250,000 for the Village of Northfield, IL for construction of pedestrian and bicycle paths as well as other infrastructure improvements to the Northfield Park District;
342. $200,000 for the Township of North Hurricane, IL for construction of a multi-purpose building within Precinct 1 of the Township;
343. $100,000 to Martin County, Indiana for improvements to the Crane Technology Park;
344. $250,000 to the African American Achievers Youth Corporation in Gary, Indiana for renovations of the Glen Theater;
345. $150,000 to the City of Fort Wayne, Indiana for the construction of a new building for Crossroad;
346. $100,000 to the City of Fort Wayne, Indiana for construction of a new facility for Easter Seals Arc of Northeast Indiana;
347. $500,000 to the City of Marion, Indiana for the renovation of Memorial Coliseum Redevelopment;
348. $250,000 to the City of Muncie, Indiana for enhancements to Urban Park;
349. $500,000 to the City of South Bend, Indiana for the South Bend Heritage Foundation for neighborhood economic development and revitalization;
350. $250,000 to the City of South Bend, Indiana for the redevelopment of a brownfield site;
351. $500,000 to the Town of Cedar Lake, Indiana for downtown streetscape improvements;
352. $500,000 for the City of Muncie, Indiana to revitalize the downtown urban park;
353. $250,000 for the Learning Collaborative to implement the Web Portal Technology Development Initiative in Davies County, IN;
354. $250,000 for the City of Anderson, Indiana to expand the Fiber Optic Network;
355. $150,000 for the City of Indianapolis, IN for the Link Savoy Housing Development;
356. $100,000 for the City of Evansville, IN for the Center City Industrial Park;
357. $100,000 for the City of Fort Wayne, IN for the Fort Wayne Technology Center;
358. $200,000 to SAFEHOME, Inc. in Overland Park, Kansas for building acquisition;
359. $100,000 to the City of Atchison, Kansas for the redevelopment of a storm water system overflow;
360. $200,000 to the City of Florence, Kansas for construction and upgrades of the World Impact Morning Star Ranch;
361. $250,000 to the City of Fort Scott, Kansas for restoration of historic buildings and brick streets in the downtown area;
362. $250,000 to the City of Independence, Kansas for renovations to historic Landon House and Booth Theater;
363. $300,000 to the City of Wichita, Kansas for expansion of Lord's Diner of Wichita;
364. $300,000 to the City of Wichita, Kansas for construction of food bank central distribution facility;
365. $250,000 to the City of Wichita, Kansas for the downtown Water Walk revitalization project;
366. $150,000 to the YWCA of Greater Kansas City in Kansas City, Kansas for expansion of the facility;
367. $1,000,000 for the Boys and Girls Clubs of Greater Kansas City for the construction of the Heathwood Community Center for Children and Families in Wyandotte County, KS;
368. $500,000 for Sedwick County, KS for the construction of a Technical Education and Training Center;
369. $300,000 for the City of Fort Scott, KS for the redevelopment of underground infrastructure in the Central Business District;
370. $200,000 for the City of Topeka, KS for renovating and updating Heartland Park Topeka;
371. $500,000 for the City of Mission Kansas to ensure the future viability of business and residential districts near the Rock Creek Project;
372. $500,000 for the City of Fairview, Kansas to ensure the future viability of business and residential districts near the Rock Creek Project;
373. $75,000 to Crittenden County, Kentucky for expansion of the Crittenden County Day Care Center;
374. $200,000 to Fleming County, Kentucky for the completion of a building by the Fleming County Industrial Authority;
375. $150,000 to Hardin County, Kentucky for renovation of an historic state theater;
376. $100,000 to LaRue County, Kentucky for construction of a facility for the Lincoln Bicentennial celebration in 2008;
377. $150,000 to Powell County Fiscal Court in Powell County, Kentucky for the construction and development of a park;
378. $350,000 to Pulaski County, Kentucky for construction of the Mill Springs Battlefield Visitors Center;
379. $100,000 to the City of Louisville, Kentucky for the renovation of First Gethsemane Center for Family Development;
380. $350,000 to the City of Louisville, Kentucky for construction of a community resource center for Day Spring Foundation;
381. $350,000 to the City of Louisville, Kentucky for the renovation of a facility for the Temple Community Development Corporation;
382. $250,000 to the City of Louisville, Kentucky for the construction of an entertainment facility for the Community Economic Empowerment Corporation;
383. $100,000 to the City of Louisville, Kentucky for renovation of a facility for the New Zion Community Foundation;
384. $100,000 to the City of Louisville, Kentucky for construction of a playground in Shawnee Park;
385. $100,000 to the City of Louisville, Kentucky for construction of a playground in the Louisville Olmsted Parks Conservancy;
386. $500,000 to the City of Lynch, Kentucky for historic preservation of the Portal 31 Exhibition Mine Site;
387. $500,000 to the City of Manchester, KY for facility construction;
388. $70,000 to the City of Tompkinsville, Kentucky for the completion of the Tompkinsville Senior Citizen Housing Complex;
389. $600,000 for the Kentucky Commerce Cabinet to develop a visitor center at the Big Bone Lick State Park;
390. $200,000 for McCracken County Fiscal Court in Kentucky to construct an Emergency Services Building
391. $200,000 for Clinton County to develop and construct a Welcome Center, KY;
392. $100,000 to Livingston Parish, Louisiana for construction of Livingston Parish Veterans' Memorial Plaza;
393. $250,000 to Loyola University New Orleans, Louisiana for renovations and upgrades to a facility;
394. $250,000 to the City of Grand Isle, Louisiana for construction of a multiplex center;
395. $500,000 to the City of Opelousas, Louisiana for Phase I of recreation improvements;
396. $250,000 to the City of Shreveport, Louisiana for renovations to a donated building in Shreveport;
397. $180,000 to the City of St. Tammany, Louisiana for repairs to the Town Hall and Community Center;
398. $225,000 to the City of St. Tammany, Louisiana to build a trailhead plaza;
399. $250,000 for Alexandria Central Economic Development District, to develop the

Alexandria Riverfront Development in Louisiana;

400. $250,000 for Ascension Parish, to develop the Lamar Dixon Exposition Center in Louisiana;

401. $500,000 for the Audubon Nature Institute for the Audubon Living Science Museum and Wetlands Center in New Orleans, Louisiana;

402. $500,000 for Lafourche Parish for waterfront development along Bayou Lafourche in Ascension, Asumption and Lafourche Parishes, Louisiana;

403. $300,000 to American International College in Springfield, Massachusetts for the renovation of Reed Mansion and Breck Hall;

404. $600,000 to Banknorth building in Fitchburg, Massachusetts for renovation and construction;

405. $200,000 to Boston Healthcare for the Homeless in Boston, Massachusetts for renovation of its facility;

406. $300,000 to Edith Wharton Restoration, Inc. in Lenox, Massachusetts for facilities upgrade and buildout;

407. $300,000 to Endicott College in Beverly, Massachusetts for construction of a research center;

408. $100,000 to Greenfield Community College in Greenfield, Massachusetts for a feasibility study;

409. $380,000 to Lawrence Community Works in Lawrence, Massachusetts for construction of a design and technology training center;

410. $250,000 to Stetson Town Hall in Randolph, Massachusetts for improvements and renovations of its facility;

411. $200,000 to the City of Holyoke, Massachusetts for renovations of facility for Solutions Development Corporation;

412. $200,000 to the City of Lynn, Massachusetts for the renovation of the City Hall and Auditorium;

413. $500,000 to the City of Medford, Massachusetts for construction and renovation of an outdoor facility;

414. $300,000 to the City of Melrose, Massachusetts for improvements to the Soldiers and Sailors Memorial Hall;

415. $1,000,000 to the City of New Bedford, Massachusetts for design and construction of a community center;

416. $100,000 to the City of Sommerville, Massachusetts for renovations and upgrades to its facility;

417. $100,000 to the Community Art Center, Inc. in Cambridge, Massachusetts for renovation and capital improvements;

418. $300,000 to the Mahaiwae Performing Arts Center, Inc. in Great Barrington, Massachusetts for facilities renovation and improvements;

419. $400,000 to the Main South Community Development Corporation in Worcester, Massachusetts for revitalization of the Gardner-Kilby-Hammond neighborhood;

420. $125,000 to the Mashpee Wampanoq Tribal Council, Inc. in Massachusetts for renovation of a facility;

421. $200,000 to the Merrimack Repertory Theater in Lowell, Massachusetts for renovation of facilities;

422. $100,000 to the Narrows Center in Fall River, Massachusetts for renovations and upgrades to facilities;

423. $400,000 to the Springfield Day Nursery in Springfield, Massachusetts for renovations to the King Street Children's Center;

424. $400,000 to Western Mass Enterprise Fund, Inc. in Greenfield, Massachusetts for capitalization of a loan fund;

425. $200,000 to Whittier Street Community Center in Roxbury, Massachusetts for facilities renovation;

426. $400,000 Walpole, MA for improvements and renovations to town fields;

427. $280,000 for the City of North Adams, MA for the renovation of the historic Mohawk Theater;

428. $280,000 for the City of Holyoke, MA for renovations to the Picknelly Adult and Family Education Center;

429. $200,000 for the City of Medford, MA for the redevelopment of Medford Square;

430. $280,000 for the Main South Community Development Corporation, Worcester, MA for the redevelopment of the Gardner-Kilby-Hammond Neighborhood;

431. $260,000 for the City of Lawrence, MA for the redevelopment of the Lawrence In-Town Mall site;

432. $250,000 for the Bird Street Community Center, Boston, MA for facility renovations;

433. $200,000 for Straight Ahead Ministries of Westboro, MA for the acquisition and renovation of facilities in Hubbardston, MA;

434. $200,000 for Girls Incorporated of Lynn, MA for building renovations;

435. $250,000 to Dawson Safe Haven for Children, Youth, and Families in Baltimore, Maryland for reconstruction of the Dawson Safe Haven facility;

436. $225,000 to St. Mary's College, St. Mary's, Maryland for the renovation and purchasing of technology equipment for Goodpaster Hall;

437. $150,000 to the City of Baltimore, Maryland for revitalization of the East Baltimore Development Project Area;

438. $250,000 to the City of Hyattsville, Maryland for construction of the Renaissance Square Artists' Housing;

439. $250,000 to the City of Takoma Park, Maryland for construction and build out of a community learning center;

440. $500,000 to the Historic St. Mary's City Commission in St. Mary's City, Maryland for construction and renovation of a brick chapel;

441. $275,000 to the Ministers Alliance of Charles County in Waldorf, Maryland for the acquisition, renovation, and construction of a business center;

442. $100,000 to the Towson YMCA Day Care in Towson, Maryland for the renovation and expansion of the Day Care Facility;

443. $300,000 for the Maryland Food Bank in Baltimore for construction and equipping of new food distribution center;

444. $500,000 for the Washington Archdiocese/Langley Park Health Clinic and Social Service Center, Maryland;

445. $450,000 for the East Baltimore Development Project, Maryland;

446. $500,000 for Patterson Park/Library Square Revitalization, Maryland;

447. $400,000 for Goucher College, Community Service Center, Maryland;

448. $200,000 for the American Visionary Arts Museum, Maryland;

449. $200,000 for the Our Daily Bread Employment Center, Maryland;

450. $100,000 to Bowdoin College in Brunswick, Maine for site planning and renovation of a building;

451. $200,000 to the Town of Milo, Maine for the development of an industrial park;

452. $325,000 for the City of Brewer Administrative Building Redevelopment, ME;

453. $300,000 for the Maine Franco-American Heritage Center, Renovation Project;

454. $325,000 for the Bangor Waterfront Park on the Penobscot River for the City of Bangor, Maine;

455. $350,000 for the Town of Milo, Maine for the development of the Eastern Piscataquis Industrial Park;

456. $350,000 for the Town of Van Buren for the Van Buren Regional Business Park, Maine;

457. $350,000 for Western Maine Community Action for the Keeping Seniors Home program;

458. $300,000 for the University of New England: George and Barbara Bush Cultural Center for construction and equipment;

459. $200,000 for the City of Portland, Portland Public Library Renovation and Expansion Project, Maine;

460. $100,000 for the Penobscot Marine Museum Maine-Mawooshen for the One Country, Two Worlds Project, Maine;

461. $300,000 for the Westbrook Housing Authority: Larrabee Village Supportive Services for construction and design of facilities for the elderly & disabled;

462. $250,000 to Grand Traverse County, Michigan for a homeless shelter to serve five counties;

463. $400,000 to Grand Valley State University in the Town of Allendale, Michigan for renovations to a research and education facility;

464. $150,000 to Northern Michigan University in Marquette, Michigan for construction and facility expansion of the Olympic Village Project;

465. $550,000 to the Arab Community Center for Economic and Social Services in Dearborn, Michigan for construction of a museum;

466. $550,000 to the City of Detroit, Michigan for the demolition of unsafe buildings;

467. $500,000 to the City of Detroit, Michigan for demolition of dangerous structures;

468. $300,000 to the City of Detroit, Michigan for revitalization of Eastern Market;

469. $350,000 to the City of East Lansing, Michigan for the construction of housing units for low-income families;

470. $150,000 to the City of Farmington, Michigan for trail improvements to Shiawassee Park;

471. $350,000 to the City of Farmington, Michigan for ADA compliance of the Municipal Riverfront Park;

472. $400,000 to the City of Ferndale, Michigan for the expansion of the existing Kulick Community Center;

473. $100,000 to the City of Frankfort, Michigan for mixed-use development;

474. $250,000 to the City of Port Huron, Michigan for the renovation of areas in conjunction with the city revitalization plan;

475. $350,000 to the City of Saginaw, Michigan for renovation of the YMCA of Saginaw;

476. $100,000 to the Detroit Zoo for construction of the Ford Center for Environmental and Conservation Education;

477. $200,000 to the Jewish Vocational Services in the City of Southfield, Michigan for the development of assisted housing;

478. $300,000 to the Labor Museum and Learning Center of Michigan in Flint, Michigan for construction and buildout of a museum;

479. $400,000 to the Lighthouse of Oakland County, Michigan for construction of new homes in Unity Park;

480. $475,000 to the Michigan Jewish Institute in West Bloomfield, Michigan for improvements to campus buildings and classrooms;

481. $200,000 to the Motor Cities National Heritage Area in Detroit, Michigan for renovations to the historic Piquette Plant;

482. $700,000 to the National Center for Manufacturing Sciences in the City of Ann Arbor, Michigan for the development of advanced technologies to the manufacturing base;

483. $200,000 to The Oakland Livingston Human Service Agency in Pontiac, Michigan for the purchase of 196 Cesar Chavez Avenue;

484. $250,000 to the Presbyterian Villages of Pontiac, Michigan for improvements to the senior wellness center;

485. $350,000 to the Presbyterian Villages of Redwood, Michigan for construction of green housing;

486. $200,000 to the Recording for the Blind and Dyslexic in the City of Troy, Michigan for material dissemination to homes and classrooms;

487. $250,000 to the Samaritan Center in the City of Detroit, Michigan for renovation of a multipurpose facility;

488. $250,000 to the Village of Clinton, Michigan for renovations to the Boysville Neighborhood Centers;

489. $250,000 to Walsh College in the City of Troy, Michigan for a library expansion;

490. $600,000 for The Enterprise Group of Jackson, MI for the Armory Arts redevelopment project;

491. $600,000 to the Arab Community Center for Economic and Social Services (ACCESS) in Dearborn, MI for expansion of a museum;

492. $600,000 to the City of Detroit, MI for redevelopment of the Far East Side neighborhood;

493. $350,000 to the City of Saginaw, MI to provide for the revitalization of Northeast Saginaw;

494. $300,000 for the State of Michigan for costs associated with the relocation of the A.E. Seaman Mineral Museum;

495. $300,000 for Focus: Hope in Detroit, MI for the upgrades to the cogeneration microgrid;

496. $250,000 for the Goodwill Inn Homeless Shelter in Traverse City, MI for construction of a new shelter;

497. $200,000 to the Harbor Habitat for Humanity in Benton Harbor, MI for costs associated with infrastructure in the construction of new homes;

498. $150,000 to the City of St. Paul, Minnesota for rehabilitation needs at the Ames Lake Neighborhood/Phalen Place Apartments;

499. $100,000 to the City of St. Paul, Minnesota for the development of supporting housing for homeless youth;

500. $500,000 to the Minneapolis American Indian Center in Minneapolis, Minnesota for facilities renovation;

501. $275,000 to the Northside Residents Redevelopment Council in Minneapolis, Minnesota for construction of mixed-use facilities;

502. $550,000 to the Red Lake Band of Chippewa Indians in Red Lake, Minnesota for construction and buildout of a multi-purpose complex;

503. $200,000 for the Hmong American Mutual Assistance Association in Minneapolis, Minnesota to complete the HAMAA Community Center.

504. $200,000 for the Red Lake Band of Chippewa Indians in Red Lake, Minnesota to construct criminal justice complex project;

505. $200,000 for the Chicanos Latinos Unidos En Servicio (CLUES) in St. Paul, Minnesota for facility construction;

506. $200,000 for Redwood County, Minnesota for the Material Recovery/Waste to Energy Facility at Lamberton, Minnesota;

507. $300,000 to construct a community, activity center for low-income seniors in Mora, MN;

508. $75,000 to the 3rd Ward Neighborhood Council in St. Louis, Missouri for renovation and preservation of a facility;

509. $150,000 to the Better Family Life Cultural Center & Museum in St. Louis, Missouri for facility construction and renovation;

510. $500,000 to the City of Cape Girardeau, Missouri for the construction of a new school for visual and performing arts at Southeast Missouri State University;

511. $250,000 to the City of Cape Girardeau, Missouri for construction of a Discovery Research Institute;

512. $250,000 to the City of Joplin, Missouri for the renovation of center downtown district;

513. $150,000 to the City of Kansas City, Missouri for project planning and design, demolition, and redevelopment at the Columbus Park Redevelopment Project;

514. $500,000 to the City of Springfield, Missouri for the renovation of Gillioz/Reagan Theater;

515. $250,000 to the City of Springfield, Missouri for the construction of a multi-purpose community facility;

516. $150,000 to the City of Ste. Genevieve, Missouri for streetscape improvements;

517. $500,000 for the Liberty Memorial Association in Kansas City, MO for construction and renovation;

518. $250,000 for the St. Louis Bosnian Chamber of Commerce for construction of a community center in St. Louis, MO;

519. $250,000 for the Boys & Girls Clubs of Greater Kansas City, MO for RBI construction;

520. $250,000 for the Winston Churchill Memorial in Fulton, MO for construction and renovation;

521. $250,000 for Covenant House Missouri for construction of homeless youth center in St. Louis, MO;

522. $250,000 for Truman State University for construction of Speech and Hearing Clinic in Kirksville, MO;

523. $250,000 for City of Springfield, MO for renovation of the Springfield Commercial Club Building;

524. $750,000 to the Family Support Services Center for Autistic Children for construction of a Center to serve families with autistic children in St. Charles County, Missouri;

525. $500,000 to the University of Missouri for Hickman House preservation, renovation and improvements projects in Howard County, Missouri;

526. $500,000 to the Salvation Army Northland Community Center, to construct a family center and community room Clay County, Missouri;

527. $1,000,000 to the Kansas City Neighborhood Alliance for capital improvements in Kansas City, Missouri;

528. $1,000,000 to Better Living Communities for capital improvements for Salisbury Park neighborhood housing development in St. Louis, Missouri;

529. $500,000 to the St. Louis Housing Authority for neighborhood housing development of the Cochran Gardens Public Housing Site in St. Louis, Missouri.

530. $620,000 to the City of Kansas City for Swope Community Builders for the Linwood Housing project, Kansas City, Missouri;

531. $500,000 to the Missouri Soybean Association for test plots for the Life Sciences Research Development and Commercialization Project in Boone County, Missouri;

532. $500,000 to the Mark Twain Neighborhood Association for capital improvements in St. Louis, Missouri;

533. $750,000 to the Students in Free Enterprise World Headquarters for capital improvements [equipment] in Greene County, Missouri;

534. $250,000 to the Advanced Technology Center for construction of Laser/photronics lab complex and classroom in Mexico, Missouri;

535. $750,000 to the Youzeum for construction of youth health museum in Boone County, Missouri;

536. $400,000 to City of Kennett for downtown revitalization in Kennett, Missouri;

537. $550,000 City of Moorhead, Sunflower County, Mississippi for streetscape improvements;

538. $300,000 to Panola County, Mississippi for the construction of a multi-purpose community facility;

539. $200,000 to the City of Meridian, Mississippi for the construction of the Mississippi Arts and Entertainment Center;

540. $100,000 to the City of Natchez, Mississippi for a long term master plan for community development;

541. $750,000 to the City of Pontotoc, Mississippi for construction of the Pontotoc County Sportsplex;

542. $50,000 to the City of Starkville, Mississippi for improvements to the Cornerstone Industrial Park;

543. $250,000 to the Town of McLain, Mississippi for industrial park development;

544. $500,000 in the City of Oxford, Mississippi for the Innovation and Outreach Center;

545. $500,000 in the City of Madison, Mississippi, for the Historic Madison Gateway Project;

546. $500,000 in the City of Tchula, Mississippi for the Tchula New Town Infrastructure Project;

547. $1,500,000 for the Mississippi Museum of Art in Jackson, Mississippi, for renovations and improvements;

548. $950,000 for the Education Building for the Jackson Zoo in Jackson, Mississippi, to construct an educational building;

549. $850,000 for the Lafayette County Courthouse in Oxford, Mississippi, to restore and renovate their historic c. 1872 courthouse;

550. $800,000 for the Hinds Community College Performing Arts Center in Utica, Mississippi, to construct a performing arts, multi-purpose building;

551. $500,000 for the Mississippi University for Women Facility Restoration in Columbus, Mississippi, for facility improvements and restoration;

552. $500,000 for the Simpson County, Mississippi Courthouse for renovations and improvements;

553. $500,000 for the Jackson Public School-Belhaven College H.T. Newell Field Complex Partnership for facility improvements and construction in Jackson, Mississippi;

554. $600,000 for the City of Collins, Mississippi, to build a multi-purpose civic center;

555. $500,000 for the renovation of the Robert O. Wilder Building at Tougaloo College in Jackson, Mississippi;

556. $500,000 for the St. Ambrose Leadership College in Wesson, Mississippi, for restoration of a historic building for housing;

557. $500,000 for Delta State University for economic development activities and campus and facility improvements;

558. $500,000 for the Historical Preservation at Alcorn State University, Alcorn State, Mississippi, for the restoration project of existing historic buildings;

559. $100,000 to the City of Billings, Montana for the renovation of the Child and Family Intervention Center;

560. $100,000 to the City of Havre, Montana for improvements to the Montana State University Applied Technology Center;

561. $40,000 to the City of Lolo, Montana for construction of a pedestrian bridge over Lolo Creek;

562. $500,000 to the City of Missoula, Montana for expansion of the Montana Food Bank Network;

563. $200,000 for the Liberty House Foundation, for construction expenses in Ft. Harrison, MT;

564. $350,000 for the Rocky Mountain Development Council, to continue the PenKay Eagles Manor Renovation in Helena, MT;

565. $250,000 for the Rocky Boy Reservation's utilization of Malmstrom Air Force Base's excess housing;

566. $250,000 for the Rocky Mountain Elk Foundation in Missoula, MT for the infrastructure needs of their new headquarters facility;

567. $250,000 for the Center for St. Vincent Healthcare's Center for Healthy Aging in Billings, MT;

568. $200,000 for the Child and Family Intervention Center to renovate the Garfield School Building in Billings, MT;

569. $200,000 for the Yellowstone Boys and Girls Ranch's Education Facilities Expansion in Billings, MT;

570. $200,000 for the Carter County Museum's Highway to Hell Creek project facilities expansion in Ekalaka, MT;

571. $400,000 for the Big Sky Economic Development Corporation for acquisition and rehabilitation for low-income housing in Billings, MT;

572. $200,000 for the Missoula Aging Services building renovation in Missoula, MT;

573. $200,000 to the St. Vincent Center for Healthy Aging for construction in Billings, MT;

574. $300,000 to the Daly Mansion Preservation Trust for the renovation of the Daly Mansion in Hamilton, MT;

575. $250,000 to CommunityWorks for the construction of the ExplorationWorks Museum in Helena, MT;

576. $200,000 to the Montana Technology Enterprise Center for the construction of lab facilities in Missoula, MT;

577. $150,000 to Columbus County, North Carolina for construction of a center for the Southeast Community College;

578. $250,000 to Davidson County, North Carolina for facility and equipment upgrades to the Davidson County Community College;

579. $200,000 to DHIC, Inc. in Wake County, North Carolina for a revolving loan fund for low-income homebuyers;

580. $200,000 to EmPOWERment, Inc. in Chapel Hill, North Carolina for a revolving loan fund for low-income homebuyers;

581. $150,000 to Gaston County, North Carolina for technology park expansion;

582. $50,000 to Madison County, North Carolina; for restoration of an old school building to be used as the Spring Creek Community Center;

583. $100,000 to Northampton County, North Carolina for planning, design, and construction of a community center;

584. $348,700 to the City of Asheville, North Carolina for the renovation of the Asheville Veterans Memorial Stadium;

585. $250,000 to the City of Asheville, North Carolina; for construction of a new science and multi-media building;

586. $50,000 to the City of Dobbins Heights, North Carolina for the redevelopment of downtown;

587. $150,000 to the City of Durham, North Carolina for facilities construction/renovation and streetscape improvements;

588. $150,000 to the City of Fayetteville and Cumberland County, North Carolina for the development of a business park;

589. $250,000 to the City of Hatteras, North Carolina for the construction of the Graveyard of the Atlantic Museum;

590. $250,000 to the City of Laurinburg, North Carolina for the demolition of an old hospital;

591. $250,000 to the City of Monroe, North Carolina for the renovation of Old Armory for neighborhood revitalization;

592. $200,000 to the City of Raeford, North Carolina for improvements to the Raeford downtown streetscape;

593. $250,000 to the City of Sparta, North Carolina for construction of the Sparta Teapot Museum;

594. $250,000 to the City of Troy, North Carolina for the implementation of an affordable housing program;

595. $150,000 to the City of Winston-Salem, North Carolina for renovation and expansion of the Central Library of Forsyth County;

596. $250,000 to the Inter-Faith Council for Social Services in Chapel Hill, North Carolina for construction, renovation, and build out of facilities;

597. $200,000 to the Piedmont Environmental Center in High Point, North Carolina for renovation and expansion of the Naturalist Education Center;

598. $150,000 to the Town of Cullowhee, North Carolina for interior building renovations to the Center for Engineering Technologies at Western Carolina University;

599. $150,000 to the Town of Zebulon, North Carolina for land acquisition;

600. $200,000 to UDI Community Development Corporation in Durham, North Carolina for construction/renovation and build out of an industrial park facility;

601. $400,000 for Renovations to the Core Sound Waterfowl Museum in Harkers Island, NC;

602. $200,000 to the City of Kannapolis, NC for the rehabilitation of the Pillowtex Plant 1 site;

603. $250,000 for New River Community Partners, Inc., in Sparta, NC for the Sparta Teapot Museum;

604. $200,000 for Catawba Science Museum to renovate and expand exhibitions in Hickory, NC;

605. $200,000 for Military Business Park Development in Fayetteville, NC;

606. $250,000 for the City of Wilmington, NC, for the Downtown Park & Open Space Initiative;

607. $250,000 for the City of Fayetteville, NC, for the Military Business Park;

608. $250,000 for the City of Asheville, NC, for the Veterans Memorial Restoration;

609. $350,000 to the Dakota Boys and Girls Ranch Residential Facilities in North Dakota for construction and renovation of its three facilities;

610. $250,000 for the Northwest Ventures Communities, Minot, ND for the construction of the Northwest Career and Technology Center;

611. $200,000 for the United Tribes Technical College in Bismarck, ND for the construction of family housing;

612. $350,000 for the City of Killdeer, ND to construct a community activity center;

613. $400,000 for the City of Rugby, ND to support construction and other projects within two North Dakota REAP Zones;

614. $300,000 for the Dakota Boys and Girls Ranch, Minot, ND for facilities at their Minot location;

615. $350,000 for the UND Center for Innovation Foundation in Grand Forks, ND for the Ina Mae Rude Entrepreneur Center;

616. $300,000 for the Bismarck-Mandan Development Association, Bismarck, ND for the construction of the National Energy Technology Training and Education Facility;

617. $200,000 for the Minot Area Community Development Foundation, Minot, ND for the Prairie Community Development Center;

618. $200,000 for the Turtle Mountain Community College, Belcourt, ND for the Turtle Mountain Community College Vocational Educational Center;

619. $250,000 to the City of Boys Town, Nebraska for the national priorities of Girls and Boys Town USA;

620. $200,000 to the City of Columbus, Nebraska for renovations to the Boys and Girls Home of Nebraska;

621. $400,000 to the City of Lincoln, Nebraska for the revitalization of the Antelope Valley Neighborhood Project;

622. $100,000 to the City of Lincoln, Nebraska for the expansion of rural business enterprise development;

623. $100,000 to the City of Omaha, Nebraska for the restoration of Tech Auditorium;

624. $150,000 to the City of Peru, Nebraska for construction of a new technology building at Peru State College;

625. $100,000 to the City of Red Cloud, Nebraska for renovations to the historic Moon Block building;

626. $200,000 to Thurston County, Nebraska for the renovation of the Thurston County Courthouse;

627. $1,000,000 for Metro Community College's Health Careers and Science Building in the City of Omaha, NE;

628. $200,000 for Thurston County Courthouse renovation in the City of Pender, NE;

629. $200,000 for the Boys and Girls Home of Nebraska's Columbus Family Resources Center in the City of Columbus, NE;

630. $200,000 for the Willa Cather Pioneer Memorial and Educational Foundation's Moon Block restoration project in the City of Red Cloud;

631. $200,000 for Clarkson College's Central Student Service Center Facility in the City of Omaha, NE;

632. $200,000 for University of Nebraska-Lincoln's Enterprise Development in Rural Nebraska in the City of Lincoln;

633. $950,000 for a parking facility as part of the Joslyn Art Museum Master Plan, in Omaha, Nebraska;

634. $100,000 to the City of Bethlehem, New Hampshire for the renovation of Main Street performing arts theater;

635. $150,000 to the City of Concord, New Hampshire for site preparation for improvements to White Park;

636. $100,000 to the City of Portsmouth, New Hampshire for construction of an environmentally responsible library;

637. $225,000 to the Town of Temple, New Hampshire for restoration of Temple Town Hall;

638. $100,000 to the Village of North Conway, New Hampshire for construction of an academic learning center at the New Hampshire Community Technical College;

639. 450,000 for Families in Transition, Manchester, New Hampshire for the Mothers and Children: Staying Together Recovery Center;

640. 350,000 for New Hampshire Community Technical College System, Conway, New Hampshire for the Consortium-Based Academic Center;

641. 200,000 for Gibson Center, Madison, New Hampshire for the preservation of senior housing at Silver Lake Landing;

642. $500,000 for the New Hampshire Community Loan Fund, manufactured housing park program;

643. $200,000 for the Monadnock, NH, Township home owner initiative;

644. $400,000 for the Derry, NH, Senior Center project;

645. $600,000 for the Manchester, NH, YWCA project;

646. $400,000 for the Nashua, NH, Downtown Riverfront Opportunity Program;

647. $400,000 for the Student Conservation Association service center, New Hampshire;

648. $400,000 to 2nd Floor Youth Helpline in Hazlet, New Jersey for construction and renovation of its space;

649. $300,000 to Essex County, New Jersey for economic development;

650. $250,000 to Eva's Kitchen and Sheltering Program in Paterson, New Jersey for renovation and construction of a homeless shelter;

651. $150,000 to Hunterdon County, New Jersey for improvements to the Village of Oldwick;

652. $300,000 to Morris County, New Jersey for economic development;

653. $150,000 to Rutgers University in New Jersey for land acquisition for Early Childhood Research Learning Academy;

654. $300,000 to Somerset County, New Jersey for economic development;

655. $300,000 to Sussex County, New Jersey for economic development;

656. $150,000 to the City of Atlantic City, New Jersey for the development of a manufacturers business park;

657. $200,000 to the City of Barnegat Light, New Jersey for renovations to historic structures;

658. $150,000 to the City of Bridgeton, New Jersey for the revitalization of Southeast Gateway Neighborhood;

659. $90,000 to the City of Cape May, New Jersey for rehabilitation of a community arts center;

660. $350,000 to the City of East Orange, New Jersey for upgrades and improvements to recreation fields;

661. $100,000 to the City of Elmer, New Jersey for expansion of Appel Farms Arts and Music Center;

662. $250,000 to the City of Lakewood, New Jersey for the construction of a new building for the School for Children with Hidden Intelligence;

663. $600,000 to the City of Perth Amboy, New Jersey for rehabilitation and construction of the Jewish Renaissance Medical Center;

664. $50,000 to the City of Trenton, New Jersey for the completion of the Martin House Transitional Housing Program;

665. $350,000 to the City of West Milford, New Jersey for public commercial improvements;

666. $100,000 to the City of Westfield, New Jersey for the renovation of the new East Board Street YMCA;

667. $250,000 to the Monroe Township in Middlesex County, New Jersey for the development of recreation facilities;

668. $100,000 to the Town of Montclair, New Jersey for construction of a facility at Montclair State University;

669. $250,000 for the City of Pleasantville, NJ for the construction and renovation of the Pleasantville Marina;

670. $200,000 for the City of Paterson, NJ for the design and renovation of the Silk City Senior Nutrition Center;

671. $200,000 for the St. Joseph's School of the Blind in Jersey City, NJ for the construction of a new facility;

672. $300,000 for the Rutgers-Camden Business Incubator, Camden NJ for the expansion of the business incubator;

673. $20,000 to the City of Albuquerque, New Mexico for the East Central Ministries enterprises program;

674. $500,000 to the City of Albuquerque, New Mexico for the construction of the YMCA of Albuquerque;

675. $250,000 to the City of Belen, New Mexico for construction of a multipurpose community center;

676. $150,000 to the City of Carlsbad, New Mexico for construction of the Carlsbad Battered Family Shelter;

677. $350,000 to the City of Placitas, New Mexico for the construction of the Placitas Public Library;

678. $200,000 to the Village of Angel Fire in New Mexico for construction and development of a town square;

679. $1,130,000 for Presbyterian Medical Services for their Head Start Facility in Santa Fe, New Mexico;

680. $750,000 for the Albuquerque Mental Health Housing Coalition, Inc. for the renovation of the Sunport Plaza Apartments in Albuquerque, New Mexico;

681. $620,000 for Eastern New Mexico State University in Portales, New Mexico for scientific instructional equipment;

682. $200,000 Otero County, NM, Veteran's Museum Construction;

683. $350,000 City of Carlsbad, NM, Battered Family Shelter Construction;

684. $250,000 Helping Hands Food Bank of Deming, NM, Construction;

685. $350,000 City of Sunland Park, NM, Community Center Construction;

686. $250,000 Sandoval County, NM, Community Health Alliance, Construction and Equipment;

687. $200,000 City of Portales, NM, Rehabilitation of the Yam Movie Palace;

688. $100,000 to the City of Carson, Nevada for expansion of Nevada's Center for Entrepreneurship and Technology;

689. $500,000 to the City of Henderson, Nevada for improvements and building renovations;

690. $350,000 to the City of Las Vegas, Nevada for improvements to WestCare;

691. $150,000 to the City of North Las Vegas, Nevada for construction of a recreation center;

692. $150,000 to the City of Tonapah, Nevada for the development of multifunctional recreational facilities;

693. $300,000 for the Pahrump Senior Center, Pahrump NV, for senior transportation;

694. $500,000 for the Nathan Adelson Hospice, Henderson, NV, for an adult day care center;

695. $200,000 for the Ridge House, Reno, NV, for the purchase or acquisition of facilities for the Reentry Resource Center;

696. $500,000 for the University of Nevada-Reno to provide a Small Business Development Center;

697. $500,000 for the City of Las Vegas, Nevada for the renovation of the Old Post Office;

698. $350,000 for the City of Reno, Nevada to provide Fourth St. Corridor Enhancements;

699. $300,000 for the City of Pahrump/Nye County, Nevada Fairgrounds Project;

700. $500,000 for Wadsworth, Nevada to provide a Community Center;

701. $200,000 for the City of Sparks, Nevada for the Deer Park Facility Renovation Project;

702. $250,000 for the City of Reno, Nevada to provide a Food Bank of Northern Nevada Regional Distribution Facility Project;

703. $350,000 to Columbia County, New York for restoration of historic Great Stone Barn;

704. $150,000 to Elmcor Youth and Adult Activities in Queens, New York for renovation of economic development facilities;

705. $350,000 to Erie County, New York for the Suburban Solutions Center;

706. $400,000 to Fordham University in Bronx, New York for the construction of a multipurpose center;

707. $75,000 to Mamaroneck Village, New York for a pedestrian streetscape program;

708. $150,000 to Monroe County, New York for the rehabilitation of historic Whiteside Barnett and Co. Agricultural Works property;

709. $150,000 to Monroe County, New York for construction of education center classrooms;

710. $150,000 to Monroe County, New York for construction of a research and education center at the State University of New York College, Brockport;

711. $250,000 to Proctor's Theatre in Schenectady, New York for facility expansion;

712. $250,000 to Prospect Park Alliance in Brooklyn, New York for construction of a visitor's center and upgrades to its facilities;

713. $150,000 to Sunnyside Community Services in Queens, New York for construction of a senior center;

714. $150,000 to the 39th Street Recreation Center, New York Department of Parks for the renovation of a recreation center;

715. $250,000 to the Bardavon 1869 Opera House, Inc. in Poughkeepsie, New York for improvements to the Bardavon Opera House;

716. $150,000 to the Beth Gavriel Bukharian Congregation in Queens, New York for planning, design, and construction of a building expansion to serve the Bukharian and Russian populations;

717. $550,000 to the Boricua College in New York, New York for renovation of the Audubon Terrace Building;

718. $250,000 to the Burchfield-Penney Art Center in Buffalo, New York for the construction of an art museum;

719. $450,000 to the City College of New York for the planning, design, and construction of the Center for Public Service;

720. $158,000 to the City of Alfred, New York for construction of the Sugar Hill Industrial Park;

721. $200,000 to the City of Alfred, New York for construction of a facility at Alfred State College;

722. $250,000 to the City of Babylon, New York for construction of 9/11 Education Center;

723. $300,000 to the City of Brooklyn, New York for additions to Sephardic Community Center;

724. $100,000 to the City of Brooklyn, New York for improvements to the 86th Street Business District;

725. $250,000 to the City of Elmira, New York for the restoration of Cowles Hall on the Elmira College;

726. $100,000 to the City of Fort Ann, New York for construction of the Adirondack Golden Goal complex;

727. $100,000 to the City of Geneva, New York for construction of community recreation center;

728. $100,000 to the City of Glen Cove, New York for construction of children's center for the YMCA at Glen Cove;

729. $250,000 to the City of Houghton, New York for the rehabilitation of Paine Science Center at Houghton College;

730. $250,000 to the City of Hunter, New York for renovations of the Orpheum Theatre and renovations of the Sugar Maples Center for the Arts;

731. $250,000 to the City of Lindenhurst, New York for construction of a center for Breast Cancer Help, Inc;

732. $100,000 to the City of Plattsburgh, New York for the construction of Adirondack Champlain Fiber Network;

733. $150,000 to the City of Rochester, New York for construction to the Northwest Family YMCA, Camp Northpoint;

734. $100,000 to the City of Rome, New York for the construction of a community recreation center;

735. $250,000 to the City of Syracuse, New York for the continuation of the Neighborhood Initiative Program;

736. $100,000 to the City of Syracuse, New York for the Essential New York Initiative;

737. $250,000 to the City of Utica, New York for the replacement of windows at the Utica Public Library;

738. $100,000 to the City of Utica, New York for the construction and expansion of nursing laboratory;

739. $100,000 to the City of Watertown, New York for renovations to North Country Children's Clinic;

740. $200,000 to the Federation of Italian-American Organization in Brooklyn, New York for facility upgrades;

741. $150,000 to the Huntington Economic Development Corporation in Huntington, New York for planning and design of a public plaza;

742. $550,000 to the Lutheran Medical Center in Brooklyn, New York for renovation and capital improvements;

743. $200,000 to the Mary Mitchell Family and Youth Center in Bronx, New York for the construction of a multipurpose center;

744. $150,000 to the Museum of the Moving Image in Queens, New York for facility expansion;

745. $750,000 to the Old Fort Niagara Gateway to History in Porter, New York for rehabilitation of a visitor's center;

746. $400,000 to the Orange County Community College in Middletown, New York for construction of a new building;

747. $75,000 to the Pregones Theater in Bronx, New York for renovation of its facility;

748. $75,000 to the Queens Borough Children's Discovery Center, New York City, New York for the construction of a children's discovery center;

749. $200,000 to the Town of Brookhaven, Farmingville, New York for demolition and construction of a new Senior Citizens Wellness Center;

750. $75,000 to the Town of Eastchester, New York for construction of a youth center;

751. $100,000 to the Town of Lenox, New York for construction of WWI Memorial;

752. $150,000 to the Town of North Hempstead, New York for construction and revitalization in New Cassel;

753. $200,000 to the town of Old Forge, New York for the renovation of Arts Guild of Old Forge;

754. $100,000 to the Town of Ripley, New York for land acquisition;

755. $75,000 to the Village of Elmsford, New York for construction of a new senior center;

756. $75,000 to the Village of Pleasantville, New York for a pedestrian streetscape program;

757. $200,000 to the Village of Tuckahoe, New York for streetscape improvements in the Crestwood section;

758. $250,000 to the Town of Volney, New York for the development of Riverview Business Park;

759. $500,000 to Warren County, New York for facilities construction at North Creek Ski Bowl;

760. $200,000 to the YWCA of Niagara, NY for the computer lab expansion;

761. $250,000 to Alianza Dominicana of New York City, NY for expansion of the Triangle building;

762. $200,000 to SUNY Plattsburgh, NY for the expansion of the Adirondack-Champlain Community Fiber Network;

763. $250,000 to the El Museo del Barrio in New York City, NY for capital improvements;

764. $200,000 to the Central New York Community Arts Council of Utica, NY for the expansion of the Stanley Theater;

765. $200,000 to the City of Canandaigua, NY for the construction of a regional tourism center;

766. $200,000 for the Graduate College of Union University, Schenectady, NY to establish a freestanding campus;

767. $200,000 for the Robert H. Jackson Center, Jamestown, NY for auditorium restoration;

768. $200,000 for the Griffiss Local Development Corporation, Rome, NY for development of a multi-tenant technology office complex;

769. $200,000 for the Nassau County Museum of Art, Roslyn Harbor, NY for building restoration;

770. $200,000 for the Veterans Outreach Center, Rochester, NY for renovation and expansion of employment and training facilities;

771. $100,000 to Carroll County, Ohio for the development of a community center;

772. $250,000 to Columbiana County, Ohio for construction of a new community services building;

773. $200,000 to Connecting Point, Inc. in Toledo, Ohio for facility construction;

774. $200,000 to Ross County, Ohio for development of an industrial park;

775. $100,000 to the City of St. Clairsville, Ohio for the renovation of the Clarendon Hotel;

776. $750,000 to the City of Canton, Ohio for construction of a Community Youth/Recreation Activity Center;

777. $350,000 to the City of Cincinnati, Ohio for the construction of community education center on grounds of fire training facility;

778. $100,000 to the City of Cincinnati, Ohio for the renovation of Covedale Center for Performing Arts;

779. $650,000 to the City of Columbus, Ohio for the Campus Partners Neighborhood Initiative;

780. $300,000 to the City of Columbus, Ohio for mixed-use commercial and residential facilities;

781. $250,000 to the City of Dayton, Ohio for street infrastructure and parking facility improvements;

782. $100,000 to the City of Dayton, Ohio for redevelopment of Brown and Stewart Street properties at the University of Dayton;

783. $200,000 to the City of Delaware, Ohio for renovations to the Stand Theater;

784. $200,000 to the City of Glouster, Ohio for renovations to the Ohio Department of Corrections Facility;

785. $250,000 to the City of Green, Ohio for the purchase of Southgate Farm;

786. $75,000 to the City of Lancaster, Ohio for the renovation of a building for the glass-blowing museum;

787. $100,000 to the City of Lima, Ohio for improvements to riverwalk;

788. $150,000 to the City of Lorain, Ohio for planning, design, demolition, and redevelopment of Broadway Avenue;

789. $400,000 to the City of Navarre, Ohio for construction of a library for the Towpath Trail YMCA Community Center;

790. $295,000 to the City of Peebles, Ohio for improvements to the Serpent Mound State Memorial Visitor Facility;

791. $1,000,000 to the City of Springfield, Ohio for the expansion of Applied Research Technology Park (ARTP) in Springfield;

792. $175,000 to the City of Springfield, Ohio for demolition of a property to be used for a new hospital;

793. $200,000 to the City of St. Marys, Ohio for renovations to the historic Glass Block;

794. $100,000 to the City of Toledo, Ohio for the construction of Ice-Skating Rinks in City Parks;

795. $150,000 to the City of Urbana, Ohio for the revitalization of Champaign County heritage sites;

796. $250,000 to the City of Van Wert, Ohio for renovations of a facility for The Marsh Foundation;

797. $250,000 to the City of Van Wert, Ohio for the renovation of facilities for Starr Commonwealth;

798. $200,000 to the Depression and Bipolar Support Alliance in Toledo, Ohio for facility construction;

799. $150,000 to the Urban League of Greater Cleveland, Ohio for a multicultural business development center;

800. $200,000 to the Youngstown Ohio Associated Neighborhood Center in Youngstown, Ohio for upgrades to the McGuffey Center;

801. $200,000 for the City of Canton, Ohio for the New Horizons Park land and site acquisition, demolition, or facilities construction;

802. $200,000 for Wright Dunbar, Inc., Dayton, Ohio, to construct the Gateway to Paul Laurence Dunbar Memorial;

803. $200,000 for Daybreak, Inc., Dayton, Ohio, for the Daybreak Opportunity House land and site acquisition, demolition, site preparation and facilities construction;

804. $200,000 for Catholic Charities Services Corporation, Parma, Ohio, for Parmadale's land and site acquisition, demolition, site preparation and facilities construction;

805. $100,000 for Cornerstone of Hope, Independence, OH, to build a facility;

806. $300,000 for The Preston Fund for SMA Research, Beachwood, Ohio, for the construction and development of Preston's H.O.P.E.;

807. $300,000 for the Defiance County Senior Service Center, Defiance, Ohio, for construction;

808. $250,000 for the Ukrainian Museum-Archives, Cleveland, Ohio, for Phase II Development and construction;

809. $250,000 for The Scioto Society, Inc., Chillicothe, Ohio for the ''Tecumseh!'' Capital Improvement Project;

810. $270,000 for the Lorain County Community College Great Lakes Business Growth and Development Center in Ohio;

811. $200,000 for the City of Jackson's Day Care Center, Ohio;

812. $260,000 for Wilberforce University Ohio Private Historically Black University Residence Hall Project;

813. $270,000 for the Solid Waste Authority of Central Ohio (SWACO) Pyramid Resource Center;

814. $250,000 to the City of Durant, Oklahoma for an employer assisted housing initiative;

815. $100,000 to the City of El Reno, Oklahoma for the construction of a facility for Youth and Family Services;

816. $300,000 to the City of Pawnee, Oklahoma for the renovation of the Buffalo Theater;

817. $100,000 to the City of Tulsa, Oklahoma for the renovation of a facility to establish a one-stop youth and family service center;

818. $220,000 for the City of Ardmore, OK, to construct the Ardmore Community Resource Center;

819. $220,000 for Norman Economic Development Corporation, Norman, OK, to construct an engineering incubator;

820. $200,000 for the City of Ponca City, OK, to construct a museum building and information center for the statue of Ponca Chief Standing Bear;

821. $220,000 for the United States-Mexico Cultural Education Foundation to establish the Center for North American Sustainable Economic Development at the University of Oklahoma, Norman, OK;

822. $220,000 for the Native American Cultural Center and Museum, Oklahoma City, OK, for construction of the American Indian Cultural Center;

823. $200,000 for the City of Midwest City, OK to construct a community outreach center;

824. $150,000 to the Portland Center Stage Armory Theater in Portland, Oregon for renovations and upgrades to its facility;

825. $150,000 to the Portland Development Commission in Portland, Oregon for urban revitalization of the South Waterfront District;

826. $300,000 to the Richard E. Wildish Community Theater in Springfield, Oregon for the completion of construction of its' facility;

827. $200,000 to the Salem Urban Renewal Agency in Salem, Oregon for rehabilitation of downtown Salem;

828. $200,000 for the City of Lakeview, Oregon to develop geothermal resources;

829. $200,000 for Marion-Polk Food Share in Salem, Oregon to improve and renovate an emergency food distribution center;

830. $200,000 for the City of Pendleton, Oregon to improve and renovate round-up facilities;

831. $500,000 for construction of an education building at the Blue Mountain Community College's Northeastern Oregon Collaborative University Center, Hermiston, Oregon;

832. $250,000 for construction of the Downtown/Riverfront Access Project by the City of The Dalles for the Port of The Dalles, Oregon;

833. $200,000 for construction of a Teen Activity Center at the Santo Community Center in Medford, Oregon;

834. $200,000 to Armstrong County, Pennsylvania for rebuilding the Belmont Complex;

835. $200,000 to Berks County, Pennsylvania for a Competitive Greater Reading Initiative;

836. $500,000 to Bradford County, Pennsylvania for the construction of two business parks;

837. $200,000 to Bristol Township, Pennsylvania for the construction of a community center for Freedom Neighborhood;

838. $150,000 to Carbon County, Pennsylvania for land acquisition, facilities renovation, and demolition;
839. $200,000 to Greene County, Pennsylvania for revitalization of recreational facilities;
840. $100,000 to Gwen's Girls, Inc. in Pittsburgh, Pennsylvania for construction of a residential facility;
841. $200,000 to Lackawanna County, Pennsylvania for construction of a new facility for the YMCA of Carbondale;
842. $750,000 to Lower Makefield Township, Pennsylvania for construction of the Lower Makefield 9/11 Memorial Garden;
843. $150,000 to North Central Triangle Revitalization in Philadelphia, Pennsylvania for planning and design of the Triangle Revitalization project;
844. $47,000 to Perry County, Pennsylvania for expansion of the community pool in Liverpool Township;
845. $100,000 to Point Breeze Performing Arts Center in Philadelphia, Pennsylvania for renovations and upgrades of its facility;
846. $200,000 to the Borough of Mahonoy City, Pennsylvania for improvements to West Market Street;
847. $100,000 to the Carroll Park Neighbors Advisory Council in Philadelphia, Pennsylvania for facility renovations and upgrades;
848. $15,000 to the City of Blaine, Pennsylvania for renovations to the baseball park in Toboyne Township;
849. $100,000 to the City of Allentown, Pennsylvania for the construction of the Da Vinci Discovery Center of Science and Technology;
850. $100,000 to the City of Allentown, Pennsylvania for expansion of the Allentown Art Museum;
851. $100,000 to the City of Allentown, Pennsylvania for the construction of a center for LeHigh Valley Heritage;
852. $100,000 to the City of Bethlehem, Pennsylvania for the renovation of KidsPeace Broadway Campus;
853. $200,000 to the City of Bradford, Pennsylvania for construction of an aquatic area at Brookville YMCA;
854. $60,000 to the City of Cambria, Pennsylvania for construction of a playground facility for Coal Country Hang-out Youth Center;
855. $250,000 to the City of Carnegie, Pennsylvania for infrastructure improvements;
856. $100,000 to the City of Chambersburg, Pennsylvania for renovations to the Capitol Theater;
857. $250,000 to the City of Chester, Pennsylvania for improving the YWCA of Chester;
858. $200,000 to the City of Clarion, Pennsylvania for improvements to Sawmill Center for the Arts;
859. $200,000 to the City of Clearfield, Pennsylvania for improvements to the Clearfield YMCA;
860. $200,000 to the City of Corry, Pennsylvania for the redevelopment of the former Cooper Ajax facility;
861. $200,000 to the City of Galeton, Pennsylvania for the expansion of the museum's visitor center;
862. $100,000 to the City of Gettysburg, Pennsylvania for the renovation of Gettysburg Railway Station as a visitor's center;
863. $150,000 to the City of Greenville, Pennsylvania for the reconstruction of streetscapes;
864. $50,000 to the City of Hollidaysburg, Pennsylvania for the renovations to the YMCA in Hollidaysburg;
865. $50,000 to the City of Homer, Pennsylvania for construction of a new athletic facility;
866. $250,000 to the City of Jeannette, Pennsylvania for parking improvements to the business district;
867. $400,000 to the City of Johnstown, Pennsylvania for construction and improvements to the convention center;
868. $250,000 to the City of Lancaster, Pennsylvania for construction of the Columbia Clubhouse for the Boys and Girls Club of Lancaster;
869. $10,000 to the City of Marysville, Pennsylvania for enhancements to a public playground;
870. $100,000 to the City of Media, Pennsylvania for technology infrastructure at the Delaware County Community College;
871. $25,000 to the City of Mifflintown, Pennsylvania for the development of a playground facility;
872. $250,000 to the City of Monroeville, Pennsylvania for construction of a new center and park for Monroeville Community Center;
873. $100,000 to the City of Oil City, Pennsylvania for upgrades to the Oil Creek Railway Historic Caboose;
874. $300,000 to the City of Philadelphia, Pennsylvania for streetscape of the vendors mall;
875. $200,000 to the City of Pine Forge, Pennsylvania for construction of an student center at Pine Forge Academy;
876. $250,000 to the City of Radnor, Pennsylvania for expansion of a community center for Cabrini College;
877. $250,000 to the City of Sunbury, Pennsylvania for construction of an amphitheater complex for the Susquehanna Riverfront;
878. $200,000 to the City of Tunkhannock, Pennsylvania for construction of a community facility for autistic children;
879. $150,000 to the City of York, Pennsylvania for improvements to streetscapes;
880. $1,500,000 to the Indiana University, Indiana, Pennsylvania for the development and construction of a Regional Development Center;
881. $1,500,000 to the Indiana University, Indiana, Pennsylvania for the construction of a multiuse training facility in Indiana, Pennsylvania;
882. $150,000 to the Jewish Community Center of Greater Philadelphia, Pennsylvania for facilities construction and improvements;
883. $200,000 to Waynesburg College Center, Greene County, Pennsylvania for a center for economic development;
884. $200,000 for the City of Carbondale, Pennsylvania for the South Main Street Economic Development Initiative which is designed to reduce blight along the City's Main Street Corridor;
885. $200,000 for the Redevelopment Authority of the City of Corry to acquire a brownfield site in downtown Corry, Pennsylvania;
886. $200,000 for Weatherly Borough, Pennsylvania to acquire and redevelop the Lehigh Valley Railroad Shops and Weatherly Steel Plant complex in the heart of Weatherly, PA;
887. $200,000 for Indiana County, Pennsylvania to acquire the Wayne Avenue Property in Indiana;
888. $200,000 for Armstrong County, Pennsylvania for remediation and infrastructure development on a 14.2 acre of brownfield property in Apollo Borough;
889. $200,000 for Perry County, Pennsylvania to develop an industrial park in New Bloomfield;
890. $200,000 for People for People, Inc. for planning and project development efforts for the Triangle redevelopment project;
891. $200,000 for the Southwestern Pennsylvania Commission, to develop the Alta Vista Business Park, a mixed-use business park on a former strip mine site adjacent to I–70, in Washington County, Pennsylvania;
892. $300,000 for the Allegheny County Airport Authority in Allegheny County, Pennsylvania for site preparation and construction of its North Field Development project;
893. $200,000 for Gaudenzia, Inc. in Norristown, Pennsylvania to renovate and expand its residential facilities;
894. $200,000 for Our City Reading in Reading, Pennsylvania to rehabilitate abandoned houses and provide down payment assistance to home buyers;
895. $200,000 for the City of Lancaster, Pennsylvania for the revitalization and construction of Lancaster Square;
896. $200,000 for the Greater Wilkes-Barre Chamber of Business and Industry in Wilkes-Barre, Pennsylvania for acquisition, planning, and redevelopment of the historic Irem Temple;
897. $200,000 for the Greene County Department of Planning and Economic Development in Greene County, Pennsylvania for construction and site development of a multi-phased business park on the grounds of the Greene County Airport;
898. $200,000 for Impact Services Corporation in Philadelphia, Pennsylvania to renovate, redevelop, and convert an existing building into low-income housing units;
899. $200,000 for the Shippensburg University Foundation in Shippensburg, Pennsylvania for construction of Phase III of the Shippensburg Regional Conference Center;
900. $200,000 for the Partnership CDC in Philadelphia, Pennsylvania for acquisition, renovation and rehabilitation of affordable housing for moderate- and low-income families;
901. $200,000 for the Allentown Art Museum in Allentown, Pennsylvania to expand and modernize its facilities;
902. $200,000 for the Pittsburgh Zoo in Pittsburgh, Pennsylvania for the planning, site development, and construction of Phase I of its expansion project;
903. $200,000 for Universal Community Homes in Philadelphia, Pennsylvania for conversion of parcels of land into housing units for low- and moderate-income families;
904. $150,000 to the Municipality of Isabela, Puerto Rico for the construction of a youth center;
905. $250,000 to the Village of Aguadilla, Puerto Rico for construction of a little league baseball park at Old Ramey Air Force Base;
906. $200,000 to the City of Central Falls, Rhode Island for construction and renovation of parks facilities;
907. $150,000 to the Providence YMCA in Providence, Rhode Island for the construction of a multipurpose center;
908. $200,000 to the Town of North Smithfield, Rhode Island for economic development initiatives focused on technology improvements;
909. $350,000 for the Cranston Public Library in Cranston, Rhode Island for building renovations;
910. $250,000 for Jamiel Park in Warren, Rhode Island for facility improvements;
911. $200,000 for the Town of West Warwick, Rhode Island for the development and construction of a river walk;
912. $200,000 for Meeting Street School in Providence, Rhode Island for the construction of the Bright Futures Early Learning Center;
913. $200,000 for Sexual Assault and Trauma Resource Center in Providence, Rhode Island for building acquisition and renovations;
914. $200,000 for the Pastime Theatre in Bristol, Rhode Island for building improvements;
915. $200,000 for Family Service of Rhode Island in Providence, Rhode Island for building purchase and renovations;
916. $200,000 for St. Mary's Home for Children in North Providence, Rhode Island for building renovations;
917. $200,000 for Stand Up for Animals in Westerly, Rhode Island for building construction;
918. $300,000 for the acquisition and renovation of the Seniors Helping Others volunteer center in South Kingstown, RI;

919. $300,000 for the expansion and renovation of the Pawtucket Day Child Development Center, Pawtucket, RI;

920. $300,000 for the renovation and expansion of the John E. Fogarty Center to provide services and programs for children and adults with disabilities, North Providence, RI;

921. $200,000 for the City of Woonsocket, RI for the redevelopment of the Hamlet Avenue Mill site;

922. $200,000 to provide for equipment and construction of the Arlington Branch of the Cranston Public Library, Cranston, RI;

923. $1,000,000 Engenuity South Carolina in the City of Columbia for the National Institute of Hydrogen Commercialization;

924. $100,000 to Georgetown County, South Carolina for construction of the Choppee Regional Resource Center;

925. $60,000 to Laurens County, South Carolina for the Hunter Industrial Park improvements;

926. $250,000 to Lee County, South Carolina for construction of a county recreation center;

927. $150,000 to Marion County, South Carolina for constructing of an outdoor wellness facility;

928. $125,000 to the Bible Way Community Development Corporation, Columbia, South Carolina for construction of a multipurpose facility;

929. $100,000 to the Boys and Girls Club of the Pee Dee in Florence, South Carolina for renovation and expansion of Florence and Sumter facilities;

930. $400,000 to the City of Charleston, SC for completed construction of the Spirit of South Carolina;

931. $500,000 to the City of Greenville, South Carolina for the development of Clemson University International Center for Automotive Research;

932. $300,000 to the City of Lancaster, South Carolina for renovation of the ''Hope on the Hill'' adult education and afterschool center;

933. $100,000 to the City of Spartanburg, South Carolina for the expansion of dormitories and classrooms at the South Carolina School for the Deaf and the Blind;

934. $300,000 to the City of Walterboro, South Carolina for construction of Great Swamp Sanctuary Discovery Center and associated streetscape;

935. $200,000 to the National Council of Negro Women, Inc. in Bishopville, South Carolina for construction of the Dr. Mary McLeod Bethune Memorial Park;

936. $200,000 to the Paxville Community Development Center in Paxville, South Carolina for the construction of a multipurpose center;

937. $50,000 to the Progressive Club in John's Island, South Carolina for renovation of a multi-purpose building;

938. $400,000 to the Town of Greenwood, South Carolina for the renovation of Old Federal Courthouse;

939. $100,000 to the Town of St. Stephens, South Carolina for renovation of the Berkeley Senior Center;

940. $75,000 to the Williamsburg County Boys and Girls Club in Hemingway, South Carolina for expansion and upgrading of facilities;

941. $280,000 for the South Carolina School for the Deaf and Blind in Spartanburg, SC for dormitory renovation;

942. $220,000 for Crisis Ministries Homeless Shelter in Charleston, SC for facilities renovation;

943. $100,000 to the Children's Home Society of South Dakota in Sioux Falls, South Dakota for construction of facilities;

944. $100,000 to the City of Aberdeen, South Dakota for renovations to the Aberdeen Recreation and Cultural Center;

945. $150,000 to Wakpa Sica Reconciliation Place in Ft. Pierre, South Dakota for construction of the Wakpa Sica Reconciliation Place;

946. $250,000 for the City of Aberdeen, South Dakota to construct a Recreation and Cultural Center;

947. $250,000 for the Children's Home Society in Sioux Falls to expand its at-risk youth facility;

948. $400,000 to the Boys and Girls Club of Brookings, SD for Facilities Expansion;

949. $200,000 to the Children's Home Society of Sioux Falls, SD for At-Risk Youth Facilities Expansion;

950. $200,000 to the City of North Sioux City, SD for Community Library Expansion;

951. $200,000 to the Mammoth Site of Hot Springs, SD for the Theater and Lecture Hall Project;

952. $200,000 to the Wakpa Sica Historical Society of Fort Pierre, SD for the Wakpa Sica Reconciliation Place;

953. $200,000 to the Rapid City Area Economic Development Partnership of Rapid City, SD for the Technology Transfer and Entrepreneur Center Project;

954. $200,000 to Miner County Revitalization of Howard, SD for the Rural Learning Center Project;

955. $100,000 to Bradley County, Tennessee for construction of a facility to house small business development;

956. $100,000 to Clay County, Tennessee for renovation of the Clay County Senior Citizens Center;

957. $150,000 to Hamilton County, Tennessee for technology improvements to the Hamilton County Center for Entrepreneurial Growth;

958. $250,000 to Johnson City, Tennessee for construction materials for expansion of the Appalachia Service Project;

959. $250,000 to Knox County, Tennessee for the construction of a senior center;

960. $100,000 to Loudon County, Tennessee to complete construction of a senior center;

961. $500,000 to Polk County, Tennessee for the construction of community projects;

962. $100,000 to the City of Gallatin, Tennessee for construction of facilities;

963. $50,000 to the City of Gray, Tennessee for renovations to the storage warehouse of Second Harvest Food Bank;

964. $100,000 to the City of Oak Ridge, Tennessee for the nanoscience research initiative for Tech 2020;

965. $100,000 to the City of Savannah, Tennessee for the expansion of the Tennessee River Museum;

966. $200,000 to the Cumberland County Playhouse in Crossville, Tennessee for facility renovations;

967. $150,000 to the Second Harvest Food Bank in Middle, Tennessee for facilities renovation and buildout;

968. $150,000 to the Second Harvest Food Bank in Nashville, Tennessee for facilities renovation and equipment;

969. $150,000 to the Southwest Tennessee Community College in Memphis, Tennessee for construction of a teaching facility;

970. $750,000 for the City of Clinton, Tennessee to renovate the Green McAdoo Cultural Center;

971. $400,000 for the Second Harvest Food Bank of Middle Tennessee in Nashville, Tennessee for the expansion of its distribution center;

972. $300,000 for the Chattanooga African American Chamber of Commerce, Tennessee to construct the Martin Luther King Business Solutions Center;

973. $600,000 for the Carroll County Watershed Authority in Carroll County, Tennessee for land acquisition;

974. $200,000 for the Big South Fork Visitors Center in Cumberland County, Tennessee to develop new visitors facilities;

975. $500,000 for Technology 2020 in Oak Ridge, Tennessee to support the East Tennessee Nanotechnology Initiative;

976. $250,000 for Smith County, Tennessee for construction and infrastructure improvements to the Health, Senior, and Education complex;

977. $320,000 to Cameron County, Texas for construction of a Boys and Girls Club in Santa Rosa, Texas;

978. $150,000 to Harris County, Texas for the development of an economic development plan;

979. $150,000 to Harris County, Texas for the construction of a senior education center;

980. $150,000 to the Children's Museum of Houston, Texas for construction of an annex to a Children's Museum;

981. $250,000 to the City of Abilene, Texas for construction of a new hangar at Abilene Regional Airport;

982. $500,000 to the City of Arlington, Texas for construction of an entrepreneur center;

983. $100,000 to the City of Austin, Texas for construction of International Center of Austin;

984. $500,000 to the City of Cleburne, Texas for construction of a new East Cleburne Community Center;

985. $150,000 to the City of Dallas, Texas for planning and design of an Afro-Centric cultural district;

986. $650,000 to the City of Fort Worth, Texas for construction of the Trinity River Vision;

987. $350,000 to the City of Fort Worth, Texas for the Central City Revitalization Initiative;

988. $1,000,000 to the City of Houston, Texas for construction of a facility for the Bay Area Business and Technology Center at the University of Houston Clear Lake;

989. $200,000 to the City of Leonard, Texas for streetscape improvements;

990. $250,000 to the City of Livingston, Texas for facility improvements to the reservation of the Alabama-Coushatta Tribe of Texas;

991. $100,000 to the City of Madisonville, Texas for upgrades and improvements to its' community recreational fields;

992. $250,000 to the City of Midland, Texas for the renovation of downtown Midland;

993. $200,000 to the City of Nacogdoches, Texas for renovations to The Fredonia Hotel and Convention Center;

994. $250,000 to the City of Odessa, Texas for the renovation of Historical Globe Theatre;

995. $250,000 to the City of Rio Bravo, Texas for the construction of a community center;

996. $150,000 to the City of Tilden, Texas for construction of a community center;

997. $250,000 to the Food Bank of the Rio Grande Valley, Inc. in McAllen, Texas for purchase of a facility;

998. $250,000 to the Foundation for Brownsville Sports in Brownsville, Texas for renovation of a site;

999. $150,000 to the San Antonio Food Bank in San Antonio, Texas for construction of a distribution facility;

1000. $400,000 for the Dallas Women's Museum in Dallas, Texas to conduct renovations;

1001. $200,000 for the Houston Hispanic Forum of Houston, Texas to provide the historic preservation and renovation of the Houston Light Guard Armory into the Hispanic Cultural and Educational Center;

1002. $200,000 for Polk County, Texas to restore the Polk County Annex;

1003. $200,000 to the Arlington Chamber of Commerce in Arlington, Texas to establish the Arlington Entrepreneur Center;

1004. $200,000 to the City of Fort Worth, Texas for the Central City revitalization initiative;

1005. $200,000 to the World Congress on Information Technology in Austin, Texas for convention center renovations;

1006. $200,000 to the City of Commerce, Texas for a new city hall facility;
1007. $200,000 to the City of Hillsboro, Texas for the district warehouse development project;
1008. $200,000 to the City of Dallas, Texas for the Dallas Fair Park Commercial District;
1009. $300,000 to the City of Lufkin, Texas for the convention center initiative;
1010. $200,000 for the Los Fresnos Texas Boys and Girls Club, Los Fresnos, TX for planning, design and facility construction;
1011. $200,000 to Sandy City, Utah for streetscape improvements and revitalization efforts;
1012. $250,000 to the City of Riverton, Utah for the construction of Nature Center;
1013. $250,000 to the City of Riverton, Utah for the reconstruction of Old Dome Meeting Hall;
1014. $150,000 to the College of Eastern Utah in Blanding, Utah for construction of a building on its campus;
1015. $600,000 for the City of Provo, Utah to build the Provo Community Arts Center in the City of Provo;
1016. $200,000 for the City of Hyrum, Utah to build the Hyrum Library and Museum Complex in the City of Hyrum;
1017. $1,000,000 for Sandy City, Utah, for the revitalization of the city's original historic district;
1018. $1,200,000 for the City of Blanding's College of Eastern Utah—San Juan Campus, for the construction of a library community multipurpose building;
1019. $800,000 for Summit County, Utah, for improvements to the Utah Olympic Park facilities;
1020. $100,000 to Bedford County, Virginia for construction of the National D-Day Memorial;
1021. $50,000 to Chase City, Virginia for the construction of an African-American historic landmark memorial;
1022. $100,000 to Fairfax County, Virginia for creation of the Housing Counseling Information and Technology Center;
1023. $150,000 to Franklin County, Virginia for restoration of the Jubal A. Early homeplace;
1024. $150,000 to Henrico County, Virginia for site preparation and construction of a war memorial and visitor's center;
1025. $400,000 to Northampton County, Virginia for construction of a community center;
1026. $250,000 to Northampton County, Virginia for the construction of a recreational facility;
1027. $100,000 to Prince William County, Virginia for improvements to the Nokesville streetscape;
1028. $200,000 to the Alexandria Redevelopment Housing Authority in Alexandria, Virginia for renovations of the Family Resource Learning Center;
1029. $250,000 to the Boys and Girls Club of Alexandria in Alexandria, Virginia for renovation and expansion of facilities;
1030. $250,000 to the City of Berryville, Virginia for the restoration of Barns of Rose Hill;
1031. $250,000 to the City of Chesapeake, Virginia for improvements to the Poindexter streetscape;
1032. $50,000 to the City of Danville, Virginia for development of the American Armoured Foundation Tank Museum;
1033. $100,000 to the City of Harrisonburg, Virginia for renovations to the Harrisonburg Children's Museum;
1034. $300,000 to the City of Manassas, Virginia for construction of a technology building at the Northern Virginia Community College;
1035. $100,000 to the City of Martinsville, Virginia for the expansion of the West Piedmont Business Development Center;
1036. $250,000 to the City of Newport News, Virginia for the restoration of USS Monitor artifacts;
1037. $300,000 to the City of Richmond, Virginia for the construction of the Virginia Performing Arts Foundation Education Center;
1038. $200,000 to the City of Richmond, Virginia for construction and renovations to the Virginia Holocaust Museum;
1039. $150,000 to the City of Richmond, Virginia for construction and renovations to the Virginia Historical Society;
1040. $150,000 to the City of Richmond, Virginia for facility expansion of the Virginia Museum of Fine Arts;
1041. $250,000 to the City of Roanoke, Virginia for renovations to the Southwestern Virginia Food Bank;
1042. $100,000 to the City of South Boston, Virginia for restoration of The Prizery for a community arts center;
1043. $150,000 to the City of Staunton, Virginia for building renovations and improvements to downtown buildings;
1044. $200,000 to the City of Vienna, Virginia for the Green Project;
1045. $150,000 to the Dabney S. Lancaster Community College in Clifton Forge, Virginia for construction of the Virginia Packaging Applications Center;
1046. $100,000 to the Falls Church Education Foundation in Falls Church, Virginia for planning and expansion of Mt. Daniel Elementary School;
1047. $75,000 to the Town of Boydton, Virginia for revitalization projects in the central business district;
1048. $50,000 to the Town of Charlotte, Virginia for the revitalization of the historic Charlotte Court House;
1049. $450,000 to Warren County, Virginia for renovations to the county youth center;
1050. $250,000 for the Woodrow Wilson Presidential Library in Staunton, Virginia to continue undertaking initial design of the Library;
1051. $250,000 for the Radford University Business and Technology Park in Radford, Virginia to begin site preparation and schematic design of the Park;
1052. $200,000 for the George L. Carter Home Regional Arts and Crafts Center in Hillville, Virginia to restore the historic home to serve as a regional Appalachian arts and crafts center;
1053. $200,000 for the Suffolk Museum of African-American History in Suffolk, Virginia to renovate the former Phoenix Bank of Nansemond for the Museum of African-American History;
1054. $500,000 for the Christopher Newport News University Real Estate Foundation for the Warwick Boulevard Commercial Corridor Redevelopment Project in Newport News, Virginia;
1055. $200,000 for the Mariners' Museum for the USS Monitor Center in Newport News, Virginia;
1056. $200,000 for the Total Action Against Poverty to restore and revitalize the Dumas Center for Artistic and Cultural Development in Roanoke, Virginia;
1057. $200,000 for the Appalachia Service Project for its Home Repair Program in Jonesville, Virginia;
1058. $200,000 to the Northeast Vermont Area Agency on Aging in Vermont for construction and rehabilitation of senior centers;
1059. $750,000 for the Preservation Trust of Vermont, Burlington, VT for the Village Revilitization Initiative;
1060. $750,000 for the Vermont Broadband Council, Waterbury, VT for high speed broadband deployment;
1061. $450,000 for the Vermont Housing and Conservation Board, Montpelier, VT for development of affordable housing in Townsend, VT;
1062. $300,000 for Project Independence, Bennington, VT for renovation of the Harwood Hill Farm Facility;
1063. $250,000 for the Vermont Housing and Conservation Board to build low-income housing and reconstruct downtown Enosburg, VT;
1064. $250,000 for the Vermont Housing and Conservation Board to construct senior housing in South Burlington, VT;
1065. $250,000 for the Visiting Nurse Association of Chittenden and Grand Isle Counties, VT to construct a low-income parent and child center in Burlington, VT;
1066. $200,000 for the Vermont Housing and Conservation Board to rehabilitate and construct affordable rental housing in Bradford, VT;
1067. $150,000 to Kitsap County, Washington for land acquisition for a community center and park/utility complex;
1068. $200,000 to Skagit County, Washington for land acquisition to assist in the redevelopment of Hamilton, Washington;
1069. $150,000 to Skamania County Wind River Public Development Authority in Washington for rehabilitation and upgrades to existing buildings;
1070. $350,000 to the Boys and Girls Club of King County in Seattle, Washington for renovation of the Greenbridge Community Center;
1071. $800,000 to the City of Bellevue, Washington for the purchase of an additional Safe House for short-term transitional shelter;
1072. $250,000 to the City of Kent, Washington for renovations to the Springwood Community Center;
1073. $300,000 to the City of Roslyn, Washington for rehabilitation of Roslyn City Hall;
1074. $200,000 to the City of Yakima, Washington for restoring buildings and improving streetscapes;
1075. $200,000 to the Foss Waterway Development Authority in Tacoma, Washington for redevelopment of its downtown urban core;
1076. $550,000 to the Museum of Glass in Tacoma, Washington for construction of facilities;
1077. $225,000 to the Northwest Maritime Center in Port Townsend, Washington for construction of its facility;
1078. $300,000 for the City of Roslyn, WA, for the Old City Hall and Library Renovation Project;
1079. $325,000 for the Wing Luke Asian Museum in Seattle, WA for an expansion project;
1080. $500,000 for North Helpline in Seattle, WA for new facility site acquisition;
1081. $500,000 for the Fremont Public Association in Seattle, WA for the Housing for the Homeless project;
1082. $500,000 for the Asian Counseling and Referral Service in Seattle, WA for facility construction;
1083. $325,000 for the Urban League in Seattle, WA for construction of the Northwest African American Museum;
1084. $500,000 for the Seattle Art Museum in Seattle, WA for construction of the Olympic Sculpture Park;
1085. $325,000 for the Seattle Aquarium Society in Seattle, WA for the renovation and expansion of the Seattle Aquarium;
1086. $500,000 Northeast Community Center Association in Spokane, WA for a capital improvement project;
1087. $400,000 for Easter Seals Washington in Seattle, WA for construction of a camp and respite lodging facility;
1088. $500,000 for the Boys and Girls Club of King County, WA for renovations to the Greenbridge Community Center;
1089. $325,000 for the Spokane Symphony in Spokane, WA for renovations to the Fox Theater;

1090. $500,000 for Kitsap Community Resources in Bremerton, Washington, for the construction of the Bremerton Community Services Center;

1091. $150,000 to Chippewa Valley Technical College in Eau Claire, Wisconsin for construction of an addition to the Gateway Manufacturing and Technology Center;

1092. $200,000 to Manitowoc County, Wisconsin for reconstruction of the Manitowoc County Courthouse;

1093. $150,000 to Monroe Senior Center in Monroe, Wisconsin for renovation of its facilities;

1094. $100,000 to the City of Cedarburg, Wisconsin for demolition of a facility for future construction;

1095. $300,000 to the City of Sturgeon Bay, Wisconsin for the completion of the New Launch System at Sturgeon Bay Shipbuilding Cluster;

1096. $100,000 to the Juneau County Economic Development Corporation in Wisconsin for renovation of a multipurpose facility;

1097. $200,000 to the Milwaukee Public Schools for a demolition project;

1098. $150,000 to the West End Development Corporation in Milwaukee, Wisconsin for revitalization of the city's Near West Side;

1099. $200,000 for the City of LaCrosse, WI to construct the Center for Manufacturing Excellence;

1100. $300,000 for the City of Appleton, WI for construction of affordable housing units at the Appleton Wire Works factory site;

1101. $270,000 for the Redevelopment Authority of the City of Racine, WI to redevelop brownfields space for the Racine Industrial Park;

1102. $200,000 for the Redevelopment Authority of the City of Milwaukee, WI to redevelop a vacant school and provide for the Bronzeville Cultural Center;

1103. $200,000 for the City of Kenosha, WI for construction related to the Columbus Neighborhood Affordable Housing Project;

1104. $200,000 for West End Development Corporation in Milwaukee, WI to rehabilitation a commercial building as part of the North 27th Street Project;

1105. $230,000 for the City of Green Bay, WI, for the Green Bay Waterfront construction and revitalization project;

1106. $200,000 for the City of Milwaukee, WI for construction of the Menomonee Valley Partners Stormwater Park;

1107. $200,000 for City of Necedah, WI to construct a facility for the Juneau County Business Incubator;

1108. $250,000 for the City of Milwaukee, WI for rehabilitation associated with the 30th Street Industrial Corridor-Esser Paint site;

1109. $25,000 Mineral County Historical Foundation for facilities construction;

1110. $2,200,000 to Glenville State College in Glenville, West Virginia for facilities construction;

1111. $550,000 to Greenbrier County, West Virginia for construction of the Greenbrier Valley Welcome and Interpretive Center;

1112. $100,000 to Preston County Commission in West Virginia for construction and renovation;

1113. $300,000 to the City of Montgomery, West Virginia for completion of a building for the West Virginia Technical College newspaper publishing program;

1114. $450,000 to the City of South Charleston, West Virginia for a feasibility study for the Mid-Atlantic Technology, Research and Innovation Center;

1115. $25,000 to the Friends of Preston Academy for facilities construction;

1116. $50,000 to Wetzel County Commission for construction and renovation;

1117. $1,000,000 for construction, related activities, and programs at the Scarborough Library at Shepherd University;

1118. $1,000,000 for the Wheeling Park Commission for the development of training facilities at Oglebay Park;

1119. $2,000,000 for West Virginia University for the development of a facility to house forensic science research and academic programs;

1120. $1,000,000 for the Kanawha Institute for Social Research and Action, for renovations to the Empowerment Center in West Dunbar, which will house an array of self-sufficiency programs for low- to moderate-income individuals;

1121. $150,000 to the City of Dubois, Wyoming for improvements to the Dubois Community area;

1122. $350,000 to the City of Laramie, Wyoming for construction of a National Creative Arts Center facility;

1123. $100,000 to the City of Laramie, Wyoming for improvements to the Wyoming Technology Business Center;

1124. $900,000 for the Sustainable Agriculture Research & Extension Center (SAREC) in Goshen County, Wyoming for construction of a community center building;

1125. $1,100,000 for the Wyoming Substance Abuse Treatment and Recovery Center (WYSTAR) in Sheridan, Wyoming to expand its substance abuse treatment facility for women with children;

1126. $1,000,000 for the Central Wyoming College Foundation in Riverton, Wyoming to construct the Intertribal Education & Community Center;

The conference agreement includes $50,000,000 for the Neighborhood Initiatives program and directs HUD to implement the program as follows:

1. $1,000,000 to the City and County of San Francisco for rehabilitation of a facility for use as a homeless shelter;

2. $1,000,000 to the City of Desert Hot Springs, California for construction of a civic center;

3. $500,000 to the Fine Arts Museum of San Francisco, California for construction of a museum;

4. $2,000,000 to the Nixon Foundation for capital improvements to the Richard Nixon Library and Birthplace;

5. $1,000,000 to the San Francisco Conservatory of Music for relocation of its facility;

6. $400,000 to the University of San Francisco for construction, renovation, and expansion of the Science Center;

7. $750,000 for Barracks Row Main Street, Inc. for the redevelopment of the Eastern Market Metro Plaza;

8. $600,000 for the National Children's Museum for facility construction;

9. $100,000 for the National Council for Negro Women for facility construction;

10. $1,250,000 to the Bucks County Community College in the County of Bucks, Pennsylvania, for facilities design and construction;

11. $2,500,000 to ER One in Washington, DC for facilities construction;

12. $700,000 to Southeastern University for facility renovation;

13. $700,000 to The ARC in Washington, DC for construction of a community center;

14. $1,325,000 to the DC Food Bank for facilities construction;

15. $1,250,000 to the Center on Halsted in Chicago, Illinois for the construction of a new community center;

16. $3,000,000 for the City of Paducah, Kentucky, to develop the Paducah Waterfront Development Project;

17. $950,000 to Picknelly Adult & Family Education Center in Holyoke, Massachusetts for an adult literacy center;

18. $800,000 to Pittsfield and Leeds Cooperative Housing in Pittsfield, MA for homeless veterans;

19. $100,000 for the Technical Exploration Center (TEC) of Husson College: Expand the Service Capacity of TEC;

20. $500,000 for the Detroit Science Center to create a Space Science Discovery Lab;

21. $200,000 to Presbyterian Villages of Michigan for construction and building upgrades to its facilities;

22. $5,000,000 for planning, development and acquisition for the Detroit Riverfront Conservancy, for the West Riverfront Redevelopment project, Detroit, Michigan;

23. $200,000 for the Minnesota Housing Finance Agency in St. Paul, Minnesota to provide supportive housing for homeless youth;

24. $5,000,000 for the Grace Hill Neighborhood Health Centers, Inc. shall be spent on primary prevention activities with no less than $4,000,000 spent on remediation and abatement activities of housing in St. Louis, Missouri.

25. $150,000 for the Covenant House I Elderly Demonstration Program to preserve and expand affordable housing opportunities for the elderly in St. Louis, Missouri;

26. $130,000 to the City of Kansas City for Swope Community Builders for the Linwood Housing project, Kansas City, Missouri;

27. $500,000 for Mississippi State University costs for facility restoration and development;

28. $300,000 for the Stennis Institute of Government capacity development initiative in Starkville, Mississippi, for the enhancement of economic development capabilities;

29. $200,000 for the Housing Education and Economic Development Center in Jackson, Mississippi, for the enhancement of housing and economic development programs;

30. $200,000 for the Mississippi Community College Foundation for the Montgomery Institute to provide entrepreneurship assistance and coordination in NI;

31. $800,000 for Enochs Hall in Brookhaven, Mississippi for the construction of additional teaching facilities and operations of activities;

32. $275,000 to Newark Downtown Corridor Revitalization in Newark, New Jersey for revitalization of the Newark Downtown Corridor;

33. $275,000 to the Englewood Hospital in New Jersey for construction of its facility;

34. $275,000 to the I-Port 440 International Trade and Logistics Center for construction and renovation of its facility;

35. $275,000 to the Meadowlands Hospital Emergency Department in Secaucus, New Jersey for expansion and upgrades of the Emergency Department;

36. $1,000,000 to the City of Syracuse, New York for continuation of the Neighborhood Initiative Program;

37. $5,000,000 to the Housing Partnership Network for capitalization of its affordable housing-related ventures;

38. $575,000 to the Metropolitan Development Association in Syracuse, New York for the Essential New York Initiative;

39. $220,000 for Rural Enterprises Institute of Oklahoma to continue the HUD Employer Assisted Housing Project;

40. $200,000 for Union County, Oregon to support economic development and tourism activities for the Wallowa Union Railroad;

41. $200,000 for Umatilla County, Oregon to support economic development and infrastructure improvements;

42. $200,000 to the City of Scranton, Pennsylvania for the North Main Avenue redevelopment project;

43. $200,000 for Oxford Mainstreet, Inc, Oxford, PA to revitalize the downtown commercial district.

44. $200,000 to Camp Fire USA Lone Star Council in Dallas, Texas for their Texas public housing initiative;

45. $200,000 for the City of Eagle Mountain, Utah for community development and park

facilities improvements in the City of Eagle Mountain;

46. $1,500,000 for the Washington State Farmworker Housing Trust in Seattle, WA for the Washington Farmerworker and Housing Homeownership;

47. $500,000 for the Enterprise Foundation in Seattle, WA for the Washington Greenbuilding Initiative;

48. $3,200,000 to the University of Wisconsin, Marathon for construction of a building;

49. $1,600,000 to Vandalia Heritage Foundation, Inc. in West Virginia for land acquisition, facilities construction and renovation;

50. $1,000,000 for construction, related activities, and programs at the Scarborough Library at Shepherd University.

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $3,000,000 for costs associated with section 108 loan guarantees, including administrative costs, to subsidize a total loan principal of up to $137,500,000. The House had proposed no funding for this program and the Senate had proposed $6,000,000 for a loan limit of $275,000,000. The conference agreement transfers $750,000 to the Salaries and Expenses account instead of $1,000,000 as proposed by the Senate.

BROWNFIELDS REDEVELOPMENT

(INCLUDING RESCISSION OF FUNDS)

The conference agreement includes $10,000,000 for Brownfields Redevelopment. The House proposed no funds and the Senate proposed $15,000,000. The agreement includes a rescission of $10,000,000 from unobligated funds from prior years appropriations and, to the extent funds are unavailable, from FY 2006 funds.

HOME INVESTMENT PARTNERSHIP PROGRAM

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates a total of $1,775,000,000 for this account, instead of $1,900,000,000 as proposed by the House and by the Senate.

The conference agreement includes $1,750,000,000 for the HOME Investment Partnerships program, instead of $1,850,000,000 as proposed by the House and the Senate. Within this account, funds are allocated as follows:

—$42,000,000 is for housing counseling as proposed by the Senate. The House had proposed $41,700,000.

—$1,000,000 is transferred to the Working Capital fund as proposed by the House. The Senate had proposed $2,000,000.

The conference agreement directs that 15 percent of the formula is reserved for housing developed, sponsored or owned by Community Housing Development Organizations (CHDOs) as proposed by the House. The Senate did not include a similar provision. In addition, $10,000,000 is reserved for technical assistance as proposed by the Senate. The House had proposed $17,300,000 for technical assistance. Of amounts made available for technical assistance, $8,000,000 is for qualified non-profit intermediaries to provide technical assistance to CHDOs as proposed by the House. The Senate did not include a similar provision.

In addition to the $1,750,000,000 for the grant amount above, the conference agreement includes $25,000,000 to provide downpayment assistance to low-income families to help them achieve homeownership, instead of $50,000,000 as proposed by both the House and the Senate.

SELF-HELP AND ASSISTED HOMEOWNERSHIP OPPORTUNITY PROGRAM

The conference agreement provides funding for Section 4 and other entities under a new account structure as proposed by the House. The account combines those specific organizations that engage in self-help or other forms of homeownership and assisted housing formerly funded under the Community Development Fund. The Senate proposed to retain these entities as set-asides within the CDBG program. A total of $61,000,000 is provided under this structure, and the conferees direct that funds be distributed as follows:

LISC/Enterprise Foundation	$30,000,000
La Raza	4,000,000
Housing Assistance Council	3,000,000
National American Indian Housing Council	1,000,000
Self Help and Opportunity Program	20,000,000
Special Olympics	1,000,000
National Housing Development Corporation	2,000,000

In addition, the conference agreement directs that, of the $30,000,000 made available to LISC and Enterprise Foundation, $3,500,000 shall be made available for Habitat for Humanity for technical assistance and capacity building.

HOMELESS ASSISTANCE GRANTS

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $1,340,000,000 for Homeless Assistance Grants, as proposed by the House instead of $1,415,000,000 as proposed by the Senate. Funds are available for two years except for $20,000,000, which is available until expended. As proposed by both the House and Senate, $238,000,000 is for renewal of Shelter Plus Care contracts. The conference agreement transfers $1,000,000 to the Working Capital Fund as proposed by both the House and the Senate.

Language is included designating up to $11,674,000 for the National Homeless Data Analysis project and for technical assistance as proposed by the House and the Senate. The conferees reiterate the three specific directives in the Senate report, which address homeless families and expect the Department to fund these directives from funds made available for the National Homeless Data Analysis project and technical assistance.

Language is included as proposed by both the House and Senate requiring that 30 percent of the funds be for permanent shelter and requires a 25 percent match for service funds.

HOUSING PROGRAMS

HOUSING FOR THE ELDERLY

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $742,000,000 for the section 202 Housing for the Elderly program as proposed by the Senate, instead of $741,000,000 as proposed by the House.

The conference agreement allocates funds as follows:

—$641,200,000 for new capital and PRAC contracts, amendments to contracts and for the renewal of contracts for up to one year terms and for supportive services;

—$51,600,000 for service coordinators and the continuation of congregate services grants. The House had proposed $49,600,000 for service coordinators and congregate services and the Senate had proposed $53,600,000;

—Up to $24,800,000 for assisted living conversion grants and emergency capital repairs as proposed by the House. The Senate proposed $30,000,000 for assisted living conversion grants, emergency capital repairs, and substantial rehabilitation;

—$4,000,000 for a demonstration project to determine the efficacy of implementing Section 203 of Public Law 108–186;

—$20,000,000 for competitive grants for planning, design and development activities for section 202 projects as proposed by the Senate. The House did not propose funds for these activities. These funds are to be allocated for project planning, preliminary design, site control activities and other development costs, including gap financing if appropriate, directly related to section 202 projects in order to facilitate timely completion of such projects. The conferees do not intend for these funds to be used for technical assistance but instead expect such funds to be used for start-up costs associated with such projects; and

—$400,000 for transfer to the Working Capital Fund for information technology activities as proposed by the House instead of $450,000 as proposed by the Senate.

HOUSING FOR PERSONS WITH DISABILITIES

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides a total program level of $239,000,000 for the Section 811 program instead of $238,100,000 as proposed by the House and $240,000,000 as proposed by the Senate.

The conference agreement includes bill language proposed by the House and Senate to ensure that housing assistance made available under this account remains available to persons with disabilities upon turnover.

The conference agreement allocates funds as follows:

—$155,700,000 for new capital grants and PRAC;

—$78,300,000 for amendment and one-year renewal costs of Section 811 rental assistance as proposed by the House. The Senate had proposed funding renewals under the Tenant-based Rental Assistance Account; and

—Caps funds for incremental vouchers at $5,000,000 as proposed by both the House and the Senate.

The conferees reiterate language included in the House report directing HUD to issue program guidance for the Section 811 mainstream program including guidance on (1) targeting rental assistance eligibility criteria; (2) maintaining vouchers exclusively for eligible persons; and (3) retaining a meaningful role for non-profit disability organizations. The conference agreement further reiterates Senate report language to ensure that all tenant-based assistance made available under this account is to remain available to persons with disabilities upon turnover.

The conference agreement includes language proposed by both the House and Senate that allows the use of funds by the Real Estate Assessment Center (REAC) for inspection related activities.

OTHER ASSISTED HOUSING PROGRAMS

RENTAL HOUSING ASSISTANCE

The conference agreement provides $26,400,000 for Section 236 payments to State-aided, non-insured projects as proposed by both the House and the Senate. In addition, the conference agreement includes language, allowing HUD to amend contracts for a period of less than needed to fund the contracts to term. The House and Senate did not propose this language.

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

The conference agreement includes language permanently transferring excess rental charges to the Flexible Subsidy Fund as proposed by the Senate. The House included similar language.

MANUFACTURED HOUSING FEES TRUST FUND

The conference agreement appropriates up to $13,000,000 for authorized activities from fees collected in the Fund as proposed by the Senate. The House proposed $12,896,000.

FEDERAL HOUSING ADMINISTRATION

MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

The conference agreement establishes an $185,000,000,000 limitation on commitments to guarantee single-family loans during fiscal year 2006, as proposed by the House and the Senate.

The conference agreement establishes a $50,000,000 limitation on direct loans to nonprofits and governmental entities in connection with the sale of HUD-owned single-family properties, as proposed by the House and the Senate.

As proposed by both the House and the Senate the conference agreement appropriates:

—$355,000,000 for administrative expenses, of which $351,000,000 is for transfer to the Salaries and Expenses account and not to exceed $4,000,000 is for transfer to the Office of Inspector General; and

—$62,600,000 for administrative contract expenses, of which $18,281,000 is for information technology systems. Language is also included allowing up to an additional $30,000,000 to be made available for such expenses in certain circumstances.

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

The conference agreement, as proposed by both the House and the Senate:

—Establishes a $35,000,000,000 limitation on multifamily and specialized loan guarantees during fiscal year 2006;

—Appropriates $8,800,000 for subsidy costs to support certain multifamily and special purpose loan guarantee programs as proposed by both the House and Senate;

—Appropriates $231,400,000 for administrative expenses, of which $211,400,000 is transferred to the Salaries and Expenses Account and $20,000,000 is for transfer to the Office of Inspector General; and

—Appropriates $71,900,000 for administrative contract expenses, of which $10,800,000 is for transfer to the Working Capital Fund for information technology systems.

Language is also included allowing up to an additional $4,000,000 to be made available for such expenses in certain circumstances as proposed by both the House and Senate.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

The conference agreement includes up to $200,000,000,000 for new commitments to issue guarantees and appropriates $10,700,000 for administrative expenses to be transferred to the Salaries and Expenses account as proposed by the House instead of $11,360,000 as proposed by the Senate.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

The conference agreement provides for a new structure for this program, which includes both general contract funds for research and funds for Section 107 academic grants formerly funded under the Community Development Fund, and which have been historically administered by PD&R.

The conference agreement also includes language that directs that the implementation of $5,000,000 for the Partnership for the Advancing of Technology in Housing (PATH) be shifted to the Office of Housing. Both the House and the Senate proposed funding for PATH under the PD&R account.

In total the conference agreement appropriates $56,350,000 for research and technology instead of $60,000,000 as proposed by the House and $46,000,000 as proposed by the Senate.

Of the amount provided the conference agreement directs that:

—$750,000 be provided to the National Academy of Sciences/National Research Council for a thorough evaluation of HUD's current research plan and provide HUD and the Congress with a set of options and recommendations for Congress to consider about the future course of research needed to address future technology, engineering and social or economic issues; and

—$20,600,000 is provided for Section 107 grants to academic institutions, and is to be distributed as follows:

Section 107	$20,600,000
Alaska Native and Native Hawaiian Serving Institutions	(3,000,000)
Tribal Colleges and Universities	(2,600,000)
HBCUs	(9,000,000)
Hispanic Serving Institutions	(6,000,000)

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

The conference agreement appropriates $46,000,000 for this program as proposed by the Senate instead of $46,500,000 as proposed by the House. Of this amount, $26,000,000 is for the Fair Housing Assistance Program (FHAP) and $20,000,000 is for the Fair Housing Initiatives Program (FHIP), as proposed by the Senate. The House proposed $26,500,000 for FHAP and $20,000,000 for FHIP.

OFFICE OF LEAD HAZARD CONTROL

LEAD HAZARD REDUCTION

The conference agreement appropriates $152,000,000 for the Lead Hazard Reduction program instead of $166,656,000 as proposed by the House and $167,000,000 as proposed by the Senate.

The conference agreement allocates funds as follows:

—$76,900,000 for the lead-based paint hazard control grant program to provide assistance to State and local governments and Native American tribes for lead-based paint abatement in private low-income housing;

—$8,800,000 for Operation LEAP;

—$8,800,000 for technical assistance and support to State and local agencies and private property owners;

—$9,500,000 for the Healthy Homes Initiative for competitive grants for research, standards development, and education and outreach activities to address lead-based paint poisoning and other housing-related diseases and hazards; and

—$48,000,000 for an initiative to target lead abatement funds to areas with the highest lead paint abatement needs.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides $1,153,285,000 for the management and administration of HUD as proposed by the House. The Senate proposed $1,145,195,000 for these activities.

Of the amount provided the conference agreement includes $579,000,000 from direct appropriations, of which up to $15,000,000 can be transferred to the working capital fund and $574,285,000 is to be derived from transfers from other accounts.

Operating Plans/Reprogramming Requirements.—All Departments and agencies funded within the Subcommittee's jurisdiction are required to submit operating plans, reprogramming letters and reorganization proposals for committee approval. Unless otherwise specified in this Act or the accompanying statement of the managers, the approved level for any program, project, or activity is that amount detailed for that program, project, or activity in the Department's annual detailed budget justification document unless changed through an approved operating plan.

Limitations on Conferences and associated expenditures.—The conference agreement directs HUD to conduct an analysis of funds used by each office for conferences in fiscal year 2005. The analysis is to include conferences that are not specifically associated with the issuance of formal guidance, the implementation of new regulations or implementation of HUD directives to grantees pursuant to Congressional directives as well as conferences that are funded as part of technical assistance of any kind and HUD staff conferences for purposes of internal guidance or staff-related training. The types of costs to be included are travel, including the travel costs of employees and any other individuals paid for by HUD, the dollar value of FTE utilization to develop and support the conference, and contractual or grant costs associated with the development or conduct of the conferences.

WORKING CAPITAL FUND

The conference agreement appropriates $197,000,000 for the Working Capital Fund (WCF) instead of $265,000,000 as proposed by the Senate and $62,000,000 as proposed by the House. The conferees direct that HUD reduce staffing in the WCF by 33 FTEs as the first part of a three-year phase out of 100 FTEs due to the signing of the new long-term HITS contract, as proposed by the House. Within funds provided, the Department is directed to modernize its e-mail system and make it compatible with the systems used by the House and Senate Appropriations Committees to facilitate the electronic transfer of information and data.

The conferees reiterate House report language that precludes the transfer of funds from the WCF for the ''e-gov'' initiative prior to submission of an operating plan; requires a report on the status of the four IT projects and directs HUD to submit an updated 5 year IT plan.

In addition, the conference agreement includes language proposed by both the House and Senate that allows transfers from the following accounts to be used for the purposes of the fund and for which the funds were appropriated. Transfers include:

FHA, Mutual mortgage insurance fund	$18,281,000
FHA, General and special risk insurance fund	10,800,000
Community development fund	1,600,000
HOME investment partnerships program	1,000,000
Homeless assistance	1,000,000
Public housing capital fund	11,000,000
Tenant-based rental assistance	5,900,000
Project-based rental assistance	1,400,000
Housing for the elderly	400,000
Housing for the disabled	400,000
Management and Administration	15,000,000

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $106,000,000 for the Office of Inspector General as proposed by the Senate instead of $103,000,000 as proposed by the House. Of this amount, $24,000,000 is provided by transfer from the various funds of the Federal Housing Administration as proposed by the House and the Senate.

The conferees reiterate the House language that prohibits the IG from requiring HUD to

rescind funds from existing Section 236 contracts and requires that any proposal to require HUD to reduce obligations on existing long term contracts as part of an audit must be approved in the IG's operating plan. The Senate did not include a similar provision.

As proposed in the House, the conference agreement includes language within Administrative provisions that precludes HUD's IG from conducting an audit of GNMA under any circumstances other than those in effect for fiscal year 2005. The Senate did not include a similar provision.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $60,000,000 for the Office of Federal Housing Enterprise Oversight (OFHEO) to be derived from collections available in the Federal Housing Enterprise Oversight Fund as proposed by the House and the Senate.

The conference agreement includes an administrative amendment proposed by the House that continues prior year requirements on the use of funds. The Senate did not include a similar provision. A set aside for special investigations, as proposed by the House was not included.

ADMINISTRATIVE PROVISIONS

Section 301 splits overpayments 50/50 between Treasury and State HFAs, as proposed by the House and Senate.

Section 302 precludes the use of funds to prosecute or investigate legal activities under the Fair Housing Act, as proposed by the House and Senate.

Section 303 continues language to correct anomalies for HOPWA and specifies jurisdictions in New York and New Jersey and uses three year average as proposed by the House and Senate.

Section 304 authorizes the Secretary to waive certain requirements on adjusted income for certain assisted living projects for counties in Michigan, and expands the demonstration to be statewide. The Senate proposed four counties.

Section 305 requires that funds be subject to competition unless specified otherwise in statute as proposed by the House and Senate.

Section 306 allows HUD to use funds for services or facilities of GNMA, Fannie Mae, Freddie Mac, and certain banks as proposed by the House and Senate.

Section 307 requires HUD to comport with the budget estimates except as otherwise provided in this Act or through an approved reprogramming, as proposed by the House and Senate.

Section 308 provides authorization for HUD corporations to utilize funds under certain conditions and restrictions, as proposed by the House and Senate.

Section 309 requires that technical assistance and training funds be subject to an approved operating plan as proposed by the House and Senate due by March 15, 2006.

Section 310 requires a report on unexpended balances each quarter as proposed by the House and Senate.

Section 311 provides funding for continued project-based assistance for HUD-held or -owned projects subject to cost considerations and the physical condition of the properties. The House limited this program to units occupied by the elderly and disabled. HUD is directed to report quarterly to the Committees on Appropriations on the disposition of all HUD-held or -owned properties.

Section 312 specifies the distribution of AIDs funds to New Jersey and North Carolina, as proposed by the House and Senate.

Section 313 allows Section 202 and 811 funds to be used for disposition of properties. The Senate did not have a similar provision.

Section 314 requires a report annually on number of leased units and average costs. The Senate did not have a similar provision.

Section 315 requires that budget justifications shall be submitted in traditional format as proposed by the House and Senate.

Section 316 requires that non-elderly disabled assistance shall continue for non-elderly disabled persons upon turnover to the extent practicable as proposed by the House and Senate.

Section 317 exempts the residency requirement for PHA Boards in Alaska, Iowa and Mississippi as proposed by the House and Senate.

Section 318 authorizes HUD to transfer debt and use agreements from an obsolete project to a viable project, provided that no additional costs are incurred, and other conditions are met. The House did not have a similar provision.

Section 319 distributes fiscal year 2006 Indian block grant funds to the same Native Alaskan recipients as fiscal year 2005 as proposed by the House and Senate.

Section 320 extends the MTW agreements (about to expire at the end of 2006) for up to three years. The House did not have a similar provision.

Section 321 prohibits the IG from changing the basis on which the audit of GNMA is conducted. The Senate did not have a similar provision.

Section 322 requires that the renewal of Family Unification vouchers upon turnover shall, to the extent practicable, go to family unification. The House did not have a similar provision.

Section 323 clarifies section 223(f) of NHA to include purchase as well as refinancing of debt. The Senate did not have a similar provision.

Section 324 makes a technical fix to allow HUD to pursue sanctions against owners of FHA multi-family housing who skim equity. Language is included that makes violations applicable retroactively. The House did not have a similar provision.

Section 325 requires that Section 236 vouchers be submitted electronically, to avoid payment errors by HUD. The Senate did not have a similar provision.

Section 326 includes an amendment that clarifies that unused or underutilized commercial properties selected by HUD for Section 202b assistance after December 26, 2000 are eligible to use the limited partnership ownership structure made possible by the new definition of non-profit organizations. The Senate did not have a similar provision.

Section 327 requires that athletic scholarships for housing shall be considered part of adjusted income for purposes of eligibility for Section 8. The House did not have a similar provision.

Section 328 requires priority consideration for Moving to Work Demonstration applications from Santa Clara/San Jose and San Bernardino.

The conference agreement does not include a Senate provision that limits HUD conference expenses to $3,000,000 in fiscal year 2006. Instead the conferees direct HUD to conduct a study of funding for conferences including associated travel, staff time and related expenses elsewhere in this title. The House did not have a similar provision.

TITLE IV—THE JUDICIARY

SUPREME COURT OF THE UNITED STATES

SALARIES AND EXPENSES

The conference agreement includes $60,730,000 for the salaries and expenses of the Supreme Court, as proposed by the House and the Senate.

CARE OF THE BUILDING AND GROUNDS

The conference agreement includes $5,624,000 for care of the Supreme Court building and grounds, as proposed by both the House and the Senate.

UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

SALARIES AND EXPENSES

The conference agreement includes $24,000,000 for the United States Court of Appeals for the Federal Circuit, instead of $24,613,000 as proposed by the House and $23,489,000 as proposed by the Senate. The conferees have provided sufficient funding to hire court security officers originally provided in fiscal year 2003, but deny funding for all program increases outlined in the court's fiscal year 2006 budget justification.

UNITED STATES COURT OF INTERNATIONAL TRADE

SALARIES AND EXPENSES

The conference agreement includes $15,480,000 for the U.S. Court of International Trade, as proposed by both the House and the Senate.

COURTS OF APPEALS, DISTRICT COURTS, AND OTHER JUDICIAL SERVICES

SALARIES AND EXPENSES

The conference agreement provides $4,348,780,000 for salaries and expenses of the Courts of Appeals, District Courts, and Other Judicial Services, as proposed by the House, instead of $4,374,959,000 as proposed by the Senate. The conferees are aware of substantial carry-over funding from fiscal year 2005 that is available to the Judiciary and expect that these funds will be used to supplement fiscal year 2006 appropriations. Within the amount provided, the conferees encourage the Judiciary to make available $1,300,000 for the Edwin L. Nelson Local Initiatives Program, with $1,000,000 reserved for local court grants. In addition, the conferees provide $672,000 for Electronic Probation Pretrial Services under the Judiciary Information Technology Fund (JITF). No funding is provided for other new JITF programs, nor is funding provided for additional court automation support personnel, as proposed by the Senate.

The conferees direct the Administrative Office of the U.S. Courts (AO) to report on all new trends in caseload changes, including those resulting from the recent Booker/Fanfan decision, increased law enforcement activities along the borders, and the recently enacted bankruptcy reform legislation.

As the formula for the distribution of fiscal year 2006 funds is developed, the conferees encourage the Administrative Office to take into account district courts with extremely heavy caseloads along the international border.

VACCINE INJURY COMPENSATION TRUST FUND

The conference agreement includes $3,833,000 from the Vaccine Injury Compensation Trust Fund as proposed by both the House and the Senate.

DEFENDER SERVICES

The conference agreement includes $717,000,000 for defender services instead of $721,919,000 as proposed by the House and $710,785,000, as proposed by the Senate. The conference agreement deletes language denying cost-of-living adjustments to panel attorneys, as proposed by the Senate. The conferees will revisit the need for panel attorney cost-of-living adjustments in fiscal year 2007.

FEES OF JURORS AND COMMISSIONERS

The conference agreement includes $61,318,000 for fees of jurors and commissioners, as proposed by the Senate, instead of $60,053,000 as proposed by the House.

COURT SECURITY

(INCLUDING TRANSFER OF FUNDS)

The conference agreement includes $372,000,000 for court security, instead of

$379,461,000 as proposed by the House and $372,426,000 as proposed by the Senate. The conference agreement includes language limiting payments to the Federal Protective Service (FPS) to not more than $65,500,000. The conferees remain concerned that FPS has yet to produce a full accounting of charges to the Judiciary. Furthermore, the conferees are concerned that security decisions made in the field without consultation with the AO have placed in jeopardy other important court activities.

The conferees are aware that the AO and the U.S. Marshals Service cannot reach agreement over which entity will administer the annual maintenance of security systems for which $11,935,000 was provided in Public Law 109–13, the fiscal year 2005 Emergency Supplemental Appropriations Act for Defense, the Global War on Terror, and Tsunami Relief. The conferees direct the AO to work with the U.S. Marshals Service to come to a resolution of this impasse prior to submission of the fiscal year 2007 President's budget request.

ADMINISTRATIVE OFFICE OF THE UNITED STATES COURTS

SALARIES AND EXPENSES

The conference agreement includes $70,262,000 for the Administrative Office of the United States Courts as proposed by the House, instead of $72,198,000 as proposed by the Senate.

FEDERAL JUDICIAL CENTER

SALARIES AND EXPENSES

The conference agreement includes $22,350,000 for salaries and expenses of the Federal Judicial Center as proposed by the Senate, instead of $22,249,000 as proposed by the House.

JUDICIAL RETIREMENT FUNDS

PAYMENT TO JUDICIARY TRUST FUNDS

The conference agreement includes $40,600,000 for payment to various judicial retirement funds, as proposed by the House and Senate.

UNITED STATES SENTENCING COMMISSION

SALARIES AND EXPENSES

The conference agreement includes $14,400,000 for the United States Sentencing Commission, instead of $14,046,000 as proposed by the House and $14,700,000 as proposed by the Senate.

ADMINISTRATIVE PROVISIONS—THE JUDICIARY

Section 401 retains a provision included by both the House and the Senate that allows appropriations to be used for services as authorized by 5 U.S.C. 3109.

Section 402 retains a provision included by both the House and the Senate related to the transfer of funds.

Section 403 retains a provision included by both the House and the Senate that allows up to $11,000 to be used for official representation expenses of the Judicial Conference of the United States.

Section 404 retains a provision included by the Senate that requires a financial plan. The conferees intend that the financial plan should serve as the equivalent of operating plans required of other entities receiving funding under this Act. The House did not include a similar provision.

Section 405 retains a provision proposed by the Senate that provides a cost-of-living adjustment to justices and judges. The House did not include a similar provision.

Section 406 retains a provision proposed by the Senate that extends a temporary judgeship in Missouri. The House did not include a similar provision.

Section 407 retains a provision included by the Senate that provides certain procurement authorities to the Judicial branch that are currently available to the Legislative and Executive branches. The House did not include a similar provision. The conferees direct the AO to provide a report to the Committees on Appropriations detailing a two-year history of the use of these authorities on or before May 1, 2008.

Section 408 modifies a provision included by the Senate concerning the investigation of Henry Cisneros. The House did not include a similar provision.

The conference agreement deletes a provision proposed by the Senate that requires a GAO report on the impacts of increased border/homeland security funding in the Judiciary.

TITLE V—EXECUTIVE OFFICE OF THE PRESIDENT AND FUNDS APPROPRIATED TO THE PRESIDENT

COMPENSATION OF THE PRESIDENT

The conference agreement provides $450,000 for compensation of the President as proposed by both the House and Senate.

WHITE HOUSE OFFICE

SALARIES AND EXPENSES

The conference agreement provides $53,830,000 as proposed by the House instead of $58,081,000 as proposed by the Senate. The bill specifies that, of the total funding provided, $1,500,000 is for the Privacy and Civil Liberties Oversight Board, as proposed by the House and the Senate.

EXECUTIVE RESIDENCE AT THE WHITE HOUSE

OPERATING EXPENSES

The conference agreement provides $12,436,000 as proposed by both the House and the Senate.

WHITE HOUSE REPAIR AND RESTORATION

The conference agreement provides $1,700,000 as proposed by both the House and the Senate.

COUNCIL OF ECONOMIC ADVISERS

SALARIES AND EXPENSES

The conference agreement provides $4,040,000 as proposed by both the House and the Senate.

OFFICE OF POLICY DEVELOPMENT

SALARIES AND EXPENSES

The conference agreement provides $3,500,000 as proposed by the House. The Senate proposed to consolidate OPD in the White House Salaries and Expenses.

NATIONAL SECURITY COUNCIL

SALARIES AND EXPENSES

The conference agreement provides $8,705,000 as proposed by both the House and the Senate.

OFFICE OF ADMINISTRATION

SALARIES AND EXPENSES

The conference agreement provides $89,322,000 as proposed by the House instead of $98,609,000 as proposed by the Senate. The conference agreement includes $11,768,000 for the capital investment plan. The conferees allocate funds by activity as proposed in budget request.

OFFICE OF MANAGEMENT AND BUDGET

SALARIES AND EXPENSES

The conference agreement provides $76,930,000 for the Office of Management and Budget (OMB) instead of $67,930,000 proposed by the House and $68,411,000 as proposed by the Senate. The conferees did not agree to consolidate rent and health costs into the Enterprise Services activity. The conferees also allocate funds by object class, and limit reception and representation expenses to $3,000 as proposed by the House instead of $2,000 proposed by the Senate.

The conference agreement reiterates language included in the general provisions precluding the use of funds for the ''e-Gov'' initiative and for conducting PART studies prior to consultation with the Committees on Appropriations.

The conference agreement continues prior year restrictions and requirements for congressional notification for agricultural marketing orders and on the review of water projects and other water resource matters, as proposed by the Senate. The House did not include restrictions and requirements relating to water resource projects.

OFFICE OF NATIONAL DRUG CONTROL POLICY

SALARIES AND EXPENSES

The conferees agree to provide $26,908,000 for salaries and expenses, as proposed by the House instead of $24,224,000 proposed by the Senate. The conferees do not agree to transfer the rent and health costs to the Enterprise Services activity. Within this total, the conference agreement retains specific funding and staffing levels for ONDCP administrative offices as proposed in the House and Senate reports.

The conferees are concerned with ONDCP's lack of attention and activity on Methamphetamine despite the increasing reports on the devastating impact Methamphetamine has on the Nation's communities. The conferees direct ONDCP to increase its focus, resources and activities targeted at combating Methamphetamine abuse.

COUNTERDRUG TECHNOLOGY ASSESSMENT CENTER

(INCLUDING TRANSFER OF FUNDS)

The conferees agree to provide $30,000,000 for the Counterdrug Technology Assessment Center (CTAC), as proposed by the House and the Senate. Of this amount, the conferees agree to provide $16,000,000 for the operation of the technology transfer program, instead of $18,000,000 as proposed by the Senate and $12,000,000 as proposed by the House. Also included in this amount is $14,000,000 for counter-narcotics research and development. Of this amount, up to $1,000,000 shall be provided for supply reduction and directed to marijuana eradication. The House proposed $18,000,000 for research and the Senate proposed $12,000,000. Fiscal year 2006 CTAC/HIDTA appropriated funds must be transferred within 90 days of enactment of this Act.

The conferees direct that a spending plan be included in the ONDCP operating plan for fiscal year 2006. In addition, the conferees direct that a thorough review of the entire CTAC program be implemented to determine the future course of funding for the CTAC program. A report with options for the Committees to consider shall be included in the Administration's fiscal year 2007 budget justification for ONDCP.

Further, the conferees direct the completion of existing imaging system instrumentation validation effects at qualified academic institutions and direct that ONDCP assess the reinstatement of the demand instrumentation infrastructure development program in the fiscal year 2007 budget.

FEDERAL DRUG CONTROL PROGRAMS

HIGH INTENSITY DRUG TRAFFICKING AREAS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

The conferees agree to provide $227,000,000 for the HIDTA program, as proposed by the Senate. The House proposed $236,000,000. The conference agreement precludes the use of funds for the Consolidated Priority Organization Target (CPOT) list as proposed by the Senate. Of the funds provided, no less than $2,000,000 shall be for new counties; $2,000,000 is provided for audit activities, of which at least $500,000 is to develop performance measures. Language is included that HIDTAs

designated as of September 30, 2005 shall be funded at no less than the fiscal year 2005 initial allocations, as proposed by the House. The Senate report contained a similar provision.

The conferees encourage the use of performance measures that were developed by the HIDTA Directors Committee, as proposed by the House.

OTHER FEDERAL DRUG CONTROL PROGRAMS

(INCLUDING TRANSFER OF FUNDS)

The conferees agree to provide $194,900,000 for Other Federal Drug Control Programs, instead of $238,292,000 as proposed by the House and $191,400,000 as proposed by the Senate. Within the amount provided, the agreement provides the following allocations:

National Youth Anti-Drug Media Campaign	$100,000,000
Drug Free Communities Support Program	$80,000,000
National Community Anti-Drug Coalitions Institute	(2,000,000)
National Drug Court Institute	1,000,000
National Alliance for Model State Drug Laws	1,000,000
U.S. Anti-Doping Agency	8,500,000
World Anti-Doping Agency Membership Dues	2,900,000
Research & Performance Measures	1,500,000

The conferees have reviewed ONDCP's pending performance measures for research and note that much of it reflects ongoing interest in defining the nature and extent of drug use and its damaging consequences in the United States. The conferees direct ONDCP to expand its research to include a study of the social costs of Methamphetamine use and production in the Unites States.

The conferees direct ONDCP to maintain funding for non-advertising services for the Media Campaign at no less than the fiscal year 2003 ratio of service funding to total funds and to re-institute the corporate outreach program as it operated prior to its cancellation as proposed by the House. The Senate had no similar provision.

The conferees direct that USADA submit a report including a spending plan and performance measures for fiscal year 2006, specifying the use of funds that were provided above the request.

UNANTICIPATED NEEDS

The conference agreement provides $1,000,000 as proposed by both the House and the Senate.

SPECIAL ASSISTANCE TO THE PRESIDENT

SALARIES AND EXPENSES

The conference agreement provides $4,455,000 as proposed by both the House and the Senate.

OFFICIAL RESIDENCE OF THE VICE PRESIDENT

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides $325,000 as proposed by both the House and the Senate, and adopts the header as proposed by the Senate.

TITLE VI—INDEPENDENT AGENCIES

ARCHITECTURAL AND TRANSPORTATION BARRIERS COMPLIANCE BOARD

SALARIES AND EXPENSES

The conference agreement includes $5,941,000 as proposed by the House and Senate.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

The conference agreement includes $63,000,000 as proposed by the Senate.

ELECTION ASSISTANCE COMMISSION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides $14,200,000 for salaries and expenses of the Election Assistance Commission instead of $15,877,000 as proposed by the House and $13,888,000 as proposed by the Senate. The conferees direct that funds provided above the fiscal year 2005 level are to be used only to conduct audits of state expenditures of Help America Vote Act grant funds, for which one additional position is authorized.

The conference agreement transfers $2,800,000 to the National Institute of Standards and Technology (NIST) as proposed by the House, instead of $4,000,000 as proposed by the Senate. In addition, the conferees encourage the Commission to provide $250,000 for the Help America Vote College Program.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

The conference agreement includes $31,000,000 for the Office of Inspector General, as proposed by the Senate instead of $29,965,000 as proposed by the House. Funds for this account are derived from the Bank Insurance Fund, the Savings and Loan Insurance Fund, and the FSLIC Resolution Fund and are therefore not reflected in either the budget authority or budget outlay totals.

FEDERAL ELECTION COMMISSION

SALARIES AND EXPENSES

The conference agreement includes $54,700,000 for salaries and expenses of the Commission as proposed by the House instead of $54,600,000 as proposed by the Senate.

FEDERAL LABOR RELATIONS AUTHORITY

SALARIES AND EXPENSES

The conference agreement includes $25,468,000 for the Federal Labor Relations Authority as proposed by the House and Senate.

FEDERAL MARITIME COMMISSION

SALARIES AND EXPENSES

The conference agreement includes $20,499,000 as proposed by the House and Senate.

GENERAL SERVICES ADMINISTRATION

REAL PROPERTY ACTIVITIES

FEDERAL BUILDINGS FUND

LIMITATION ON AVAILABILITY OF REVENUE

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides resources from the Federal Buildings Fund in the aggregate amount of $7,752,745,000 instead of $6,867,097,000 as proposed by the House and $7,889,745,000 as proposed by the Senate.

CONSTRUCTION AND ACQUISITION

The conference agreement limits funds for construction to $792,056,000 instead of $630,817,000 as proposed by the House and $829,056,000 as proposed by the Senate. The conference agreement modifies the projects proposed by the House and Senate bills and provides funds for the following projects:

Project	*Amount*
San Diego, U.S. Courthouse	$230,803,000
Lakewood, Denver Federal Center Infrastructure	4,658,000
Coast Guard Consolidation	24,900,000
St. Elizabeths West Campus Infrastructure	13,095,000
Southeast Federal Center Site Remediation	15,000,000
Calais, Border Station	50,146,000
Jackman, Border Station	12,788,000
Montgomery County FDA Consolidation	127,600,000
Champlain, Border Station	52,510,000
Massena, Border Station	49,783,000
Austin, U.S. Courthouse	3,000,000
Blaine, Peace Arch Border Station	46,534,000
Tuscaloosa Federal Building	34,500,000
Rockford Federal Courthouse	34,500,000
Jackson, U.S. Courthouse	8,750,000
Jefferson City U.S. Courthouse	5,200,000
Material price increases for U.S. Mission to the United Nations, New York; Houston, Texas FBI Office; Del Rio, Texas Border Station; Cape Girardeau, Missouri U.S. Courthouse; El Paso, Texas U.S. Courthouse; El Paso, Texas Border Station; Las Cruces, New Mexico U.S. Courthouse	66,789,000
Nonprospectus construction	9,500,000

REPAIRS AND ALTERATIONS

The conference agreement limts resources for repairs and alterations to $861,376,000 instead of $392,967,000 as proposed by the House, and $961,376,000 as proposed by the Senate. The bill specifies certain projects and various programs as follows:

Project	*Amount*
Tucson, James A. Walsh Courthouse	$16,136,000
Eisenhower Executive Office Building	33,417,000
Federal Office Building 8	47,769,000
Heating, Operation, and Transmission repair	18,783,000
Herbert C. Hoover Building	54,491,000
Main Interior Building	41,399,000
Atlanta, Martin Luther King, Jr. Federal Building	30,129,000
Brooklyn, Emanuel Celler Courthouse	96,924,000
James Watson Federal Building and Courthouse, New York City	9,721,000
Transfers to Navy for permanent relocation expenses pursuant to section 1(e) of PL 108–268	2,000,000
Special Emphasis Programs:	
Chlorofluorocarbons program	10,000,000
Energy Program	28,000,000
Glass Fragmentation Program	15,700,000
Design Program	21,915,000
Basic Repairs and Alterations	434,992,000

INSTALLMENT ACQUISITION PAYMENTS

The conference agreement provides a limitation of $168,180,000 for installment acquisition payments as proposed by both the House and Senate.

RENTAL OF SPACE

The conference agreement limits $4,046,031,000 for rental of space as proposed by the Senate instead of $4,033,531,000 as proposed by the House.

BUILDING OPERATIONS

The conference agreement limits $1,885,102,000 for building operations as proposed by the Senate, instead of $1,641,602,000 as proposed by the House.

GENERAL ACTIVITIES

GOVERNMENT-WIDE POLICY

The conference agreement appropriates $52,796,000 for government-wide policy activities as proposed by both the House and Senate. The conference agreement retains Senate language that directs GSA to reflect any proposed reorganization in the operating plan. Further, the conferees recognize the funding level is consistent with the request. The Committees on Appropriations will entertain reprogramming requests if the proposed reorganization is not accepted and adjustments are required between the government-wide policy and operating expenses appropriation.

OPERATING EXPENSES

The conference agreement appropriates $99,890,000 for operating expenses as proposed by the Senate, instead of $82,179,000 as proposed by the House. The conferees urge GSA to support the mission of the Public Employees Roundtable and provide $150,000 in administrative and logistical assistance to Public Service Recognition Week activities.

OFFICE OF INSPECTOR GENERAL

The conference agreement appropriates $43,410,000 for the office of inspector general as proposed by both the House and Senate.

ELECTRONIC GOVERNMENT FUND

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $3,000,000 for e-gov as proposed by the House, instead of $5,000,000 as proposed by the Senate.

ALLOWANCES AND OFFICE STAFF FOR FORMER PRESIDENTS

(INCLUDING TRANSFER OF FUNDS)

The conference agreement appropriates $2,952,000 for former presidents as proposed by both the House and Senate.

FEDERAL CITIZEN INFORMATION CENTER FUND

The conference agreement provides $15,000,000 to be deposited into the Federal Citizen Information Center Fund as proposed by the Senate, instead of $15,030,000 as proposed by the House.

ADMINISTRATIVE PROVISIONS—GENERAL SERVICES ADMINISTRATION

(INCLUDING TRANSFERS OF FUNDS)

Section 601 retains the provision as proposed by the House and Senate that authorizes GSA to credit accounts with certain funds received from Government corporations.

Section 602 retains the provision as proposed by the House and Senate that authorizes GSA to use funds for the hire of passenger motor vehicles.

Section 603 retains the provision as proposed by the House and Senate that allows Federal Buildings Funds to be transferred between appropriations with advance approval from Congress.

Section 604 modifies a Senate provision that prohibits, except as provided under this title, funds for courthouse construction projects that do not meet GSA standards and the priorities of the Judicial conference's five-year plan and requires that the fiscal year 2007 budget request be accompanied by a standardized courtroom utilization study of each facility to be constructed, replaced, or expanded. Further, it is the conferees' intent to adhere to the priorities of the judicial conference as reflected in GSA's budget request in future years.

Section 605 prohibits funds from being used to increase space and from providing services usually provided to any agency that does not pay the requested rent as proposed by the House and Senate.

Section 606 allows GSA to pay small claims made against the government as proposed by the House and Senate.

Section 607 retains the provision proposed by the Senate that directs GSA to conduct a program promoting the use of stairs. The House did not include a similar provision.

Section 608 prohibits the use of funds by GSA to reorganize its structure except through an operating plan change as proposed by the Senate. The House did not include a similar provision.

Section 609 modifies a Senate provision to ensure that GSA's rating system credit products that use wood or wood products certified by a credible third party sustainable forest certification program and directs that GSA report to the relevant Congressional Committees of jurisdiction on its progress within 60 days of enactment of this Act. The House did not include a similar provision.

Section 610 modifies a Senate provision on e-travel and the percentage of subcontracted dollars allocated to small businesses.

The conference agreement deletes a provision included by the House relating to a property in Arizona.

MERIT SYSTEMS PROTECTION BOARD

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

The conference agreement includes $35,600,000, plus $2,605,000 from appropriate trust funds, for salaries and expenses of the Board as proposed by the House and the Senate.

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY FOUNDATION

MORRIS K. UDALL SCHOLARSHIP AND EXCELLENCE IN NATIONAL ENVIRONMENTAL POLICY TRUST FUND

(INCLUDING TRANSFER OF FUNDS)

The conference agreement includes $2,000,000 for the Morris K. Udall Trust Fund as proposed by both the House and Senate.

ENVIRONMENTAL DISPUTE RESOLUTION FUND

The conference agreement provides $1,900,000 for the Environmental Dispute Resolution Fund as proposed by the House.

NATIONAL ARCHIVES AND RECORDS ADMINISTRATION

OPERATING EXPENSES

The conference agreement includes $283,045,000 for operating expenses of the Administration instead of $283,975,000 as proposed by the House and $280,975,000 as proposed by the Senate. Of this amount, $2,000,000 shall be used for the initial move of records, staffing, and operation of the Nixon Library in California, as proposed by the House.

ELECTRONIC RECORDS ARCHIVES

The conference agreement includes $37,914,000 for the electronic records archives instead of $35,914,000 as proposed by the House and $38,914,000 as proposed by the Senate. The conferees also retain the directive requiring NARA to submit, and for the Committees on Appropriations to approve, a plan that outlines the expenditure of ERA funds. The conferees have also provided $2,000,000 to allow NARA to begin work with the Naval Oceanographic Office at the National Center for Critical Information Processing and Storage at the Stennis Space Center in Mississippi.

REPAIRS AND RESTORATION

The conference agreement includes $9,682,000 for repairs and restoration instead of $6,182,000 as proposed by the House and $11,682,000 as proposed by the Senate. The conferees provide $1,500,000 for construction of a new regional facility in Anchorage, Alaska and $1,000,000 for repair and restoration of the plaza of the Lyndon Baines Johnson Presidential Library in Austin, Texas. In addition, the conferees direct $1,000,000 for the design and renovations to the John F. Kennedy Presidential Library, as proposed by the Senate.

NATIONAL HISTORICAL PUBLICATIONS AND RECORDS COMMISSION GRANTS PROGRAM

(INCLUDING TRANSFER OF FUNDS)

The conference agreement includes $7,500,000 for the grant program, of which $2,000,000 is for operating expenses, as proposed by the House instead of $5,000,000 as proposed by the Senate.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

The conference agreement provides limitation of $1,500,000,000 on CLF lending activities from borrowed funds and provides $323,000 for limitation on administrative expenses, as proposed by the House and Senate.

COMMUNITY DEVELOPMENT REVOLVING LOAN FUND

The conference agreement appropriates $950,000 as proposed by the House and the Senate. The conferees reiterate language proposed by the Senate encouraging NCUA to continue to develop technical assistance in rural areas.

NATIONAL TRANSPORTATION SAFETY BOARD

SALARIES AND EXPENSES

The conference agreement provides $76,700,000 for the National Transportation Safety Board as proposed by the House and Senate.

NTSB Academy.—The conference agreement retains the requirement proposed by the Senate to reduce workforce hours at the NTSB Academy in order to minimize the impact of any loss of FTEs on the agency's key investigatory responsibilities and the report requirements regarding the use of investigators at the Academy.

(RESCISSION)

The conference agreement includes a rescission of $1,000,000 from unobligated balances from the National Transportation Safety Board as proposed by the House and Senate.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

The conference agreement includes $118,000,000 for the Neighborhood Reinvestment Corporation as proposed by the House. The Senate proposed $115,000,000.

Language is included in the bill that designates $5,000,000 to support the Corporation's multi-family rental housing program, as proposed by the Senate.

OFFICE OF GOVERNMENT ETHICS

SALARIES AND EXPENSES

The conference agreement includes $11,148,000 for salaries and expenses of the Office, as proposed by both the House and the Senate.

OFFICE OF PERSONNEL MANAGEMENT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF TRUST FUNDS)

The conference agreement includes $122,521,000 for salaries and expenses instead of $119,952,000 as proposed by the House and $124,521,000 as proposed by the Senate. In addition, the conference agreement transfers $100,017,000 from the Office of Personnel Management trust funds for salaries and expenses as proposed by the Senate instead of $102,679,000 as proposed by the House. As proposed by both the House and the Senate, the conferees agree to provide up to $2,500 for reception and representation costs, $6,983,000 for the enterprise human resources integration project, $1,450,000 for the e-human resources line of business project, $500,000 for

the e-training project, and $1,412,000 for the e-payroll project.

The conference agreement provides the full budget request for the continued refinement of a new government personnel system. However, the conferees direct OPM to evaluate fully the systems developed and introduced at the Department of Defense (DoD) and the Department of Homeland Security (DHS). A full evaluation and discussion of lessons learned from the pilot programs at DoD and DHS should be a part of the development, introduction, and implementation of a reformed civil service employment system in other departments and agencies.

Of the funds provided for salaries and expenses, not less than $2,700,000 are to be used for activities required by the Voting Rights Act of 1965. In the future, OPM is to budget for these expenses and include details of the activities proposed in the annual budget justifications.

The conferees retain the reduction of $3,000,000 from the budget request for the Center for Financial Services for performance measurement and evaluation as proposed by the House. The Senate proposed funding this activity at the budget request.

In addition, the conferees agree to provide $600,000 for the Call to Service Recruitment Initiative with the Partnership for Public Service instead of $680,000 as proposed by the House. The Senate did not propose funding for this activity.

The conferees retain the directive proposed by the House requiring OPM to submit an operating plan for approval by the House and Senate Committees on Appropriations within 60 days of enactment of this Act. The plan must contain details on the funding and staffing levels for the various offices, centers, programs, activities, and initiatives under the jurisdiction of OPM. The plan should compare the resources provided and used in fiscal year 2005, requested in fiscal year 2006, and planned based on the appropriation provided for fiscal year 2006.

OFFICE OF INSPECTOR GENERAL

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides $2,071,000 for salaries and expenses instead of $1,614,000 as proposed by the House and the Senate. The additional funds are provided to support ongoing audits and investigations. In addition, the conferees agreed to provide $16,329,000 from the OPM trust funds as proposed by the Senate instead of $16,786,000 as proposed by the House.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES HEALTH BENEFITS

The conference agreement provides such sums as necessary for health benefits payments as proposed by both the House and the Senate.

GOVERNMENT PAYMENT FOR ANNUITANTS, EMPLOYEES LIFE INSURANCE

The conference agreement provides such sums as necessary for life insurance payments as proposed by both the House and the Senate.

PAYMENT TO THE CIVIL SERVICE RETIREMENT AND DISABILITY FUND

The conference agreement provides such sums as necessary for retirement and disability payments as proposed by both the House and the Senate.

OFFICE OF SPECIAL COUNSEL

SALARIES AND EXPENSES

The conference agreement includes $15,325,000 for salaries and expenses for the Office of Special Counsel as proposed by both the House and the Senate. The conferees reiterate language proposed by the Senate concerning how funding shall be allocated to each office and directing the Office to submit quarterly staffing reports.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

The conference agreement provides $25,000,000 for salaries and expenses instead of $24,000,000 as proposed by the House and $25,650,000 as proposed by the Senate. Of the funds provided, up to $750 may be used for reception and representation expenses. The conferees prohibit the Selective Service System from using funds to support the Corporation for National and Community Service.

UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

OPERATING EXPENSES

The conference agreement provides $1,800,000 as proposed by the Senate and extends the expiration date for the Council until September 1, 2006. The Senate proposed extending the expiration date until 2012.

The conferees direct the United States Interagency Council on Homelessness to conduct an assessment of the guidance disseminated by the Department of Education, the Department of Housing and Urban Development, and other related Federal agencies for grantees of homeless assistance programs on whether such guidance is consistent with and does not restrict the exercise of education rights provided to parents, youth, and children under subtitle B of title VII of the McKinney-Vento Act. The assessment shall address whether the practices, outreach, and training efforts of said agencies serve to protect and advance such rights. The Council shall submit to the House and Senate Committees on Appropriations an interim report by May 1, 2006, and a final report by September 1, 2006.

UNITED STATES POSTAL SERVICE

PAYMENT TO THE POSTAL SERVICE FUND

The conference agreement provides $116,350,000 for payment to the Postal Service Fund, as proposed by the House and the Senate. Of this amount, $73,000,000 is provided as an advance appropriation for free mail for the blind and overseas voters to be available on October 1, 2006. The agreement also includes $29,000,000 for repayment for revenue forgone. The conferees retain the provision directing OMB to report to the House and the Senate Committees on Appropriations within 90 days of enactment of this Act, the revised estimated amount of Federal funding that may be necessary to complete the Postal Service's work to secure the nation's mail system, as directed by the House. The conferees direct the USPS to adhere to the Senate reporting requirements on installation of Biohazardous Detection System (BDS) and House reporting requirements on the progress of the mail irradiation facility in the Washington, D.C. area.

UNITED STATES TAX COURT

SALARIES AND EXPENSES

The conference agreement includes $47,998,000 for the United States Tax Court as proposed by the Senate.

TITLE VII—GENERAL PROVISIONS, THIS ACT

(INCLUDING TRANSFERS OF FUNDS)

Section 701 provides that pay raises be absorbed within levels provided in this or previous appropriations acts, as proposed by the House and the Senate.

Section 702 prohibits pay and other expenses for non-Federal parties in regulatory or adjudicatory proceedings funded in this Act, as proposed by the House and the Senate.

Section 703 prohibits obligations beyond the current fiscal year and prohibits transfers of funds unless expressly so provided herein, as proposed by the House and the Senate.

Section 704 limits consulting service expenditures to contracts where such expenditures are a matter of public record, with exceptions, as proposed by the House and the Senate.

Section 705 prohibits funds from being transferred to any department, agency, or instrumentality of the United States without expressed authority, as proposed by the House and the Senate.

Section 706 prohibits the use of funds to engage in activities that would prohibit the enforcement of section 307 of the 1930 Tariff Act, as proposed by the House and the Senate.

Section 707 concerns employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces by prohibiting payment under certain circumstances to any employee who fills this position, as proposed by the House and the Senate.

Section 708 prohibits funds from being expended unless the recipient agrees to comply with the Buy American Act, as proposed by the Senate.

Section 709 prohibits funding to a person or entity convicted of violating the Buy American Act, as proposed by the House and the Senate.

Section 710 specifies reprogramming procedures for all departments, agencies, and offices funded under this Act unless otherwise specified elsewhere in this Act, by subjecting the establishment of new offices and reorganizations to the reprogramming process. Reprogramming requirements apply to transfers in excess of $5,000,000 or 10 percent or whichever is less.

Section 711 provides that not to exceed fifty percent of unobligated balances from salaries and expenses may remain available for certain purposes, as proposed by the House and the Senate.

Section 712 provides that no funds may be used by the Executive Office of the President to request any official background investigation from the Federal Bureau of Investigation unless the person has given consent or there are national security circumstances, as proposed by the House and the Senate.

Section 713 requires that cost accounting standards not apply to a contract under the Federal Employees Health Benefits Program, as proposed by the House and the Senate.

Section 714 permits OPM to accept funds regarding the nonforeign area cost of living allowances, as proposed by the House and the Senate.

Section 715 prohibits the expenditure of funds for abortions under the FEHBP, as proposed by the House.

Section 716 provides an exemption from section 715 if the life of the mother is in danger or if the pregnancy is a result of an act of rape or incest, as proposed by the House.

Section 717 waives restrictions on the purchase of non-domestic articles, materials, and supplies in the case of acquisition by the Federal Government of information technology, as proposed by the House and the Senate.

Section 718 prohibits the use of funds for a proposed rule relating to the determination that real estate brokerage is a financial activity. This applies to fiscal year 2006 only, as proposed by the House. The Senate proposed to make this provision permanent.

Section 719 modifies a provision proposed by the Senate that requires a report to the Committees on Appropriations on all sole source contracts by no later than July 31, 2006.

Section 720 modifies a provision that was proposed by the Senate that authorizes the

Secretary of the Treasury to establish offices in locations of strategic interest throughout the world, once an operating plan is approved by the Committees on Appropriations, as proposed by the Senate.

Section 721 extends the Federal Election Commission administrative fine program through December 31, 2008, as proposed by the House.

Section 722 establishes certain requirements in order for the Secret Service to be reimbursed by the Secretary of the Treasury.

Section 723 repeals the increased micropurchase threshold, as proposed by the Senate.

Section 724 prohibits funding of federal contracts with expatriated entities, as proposed by the Senate.

Section 725 provides transfer authority for selected agencies within the Executive Office of the President.

Section 726 prohibits funds from being used to support any Federal, State or local project using eminent domain unless it is employed for a public use with certain conditions. A study by GAO, NAPA and certain organizations is required, as proposed by the Senate.

TITLE VIII—GENERAL PROVISIONS GOVERNMENT-WIDE

DEPARTMENTS, AGENCIES, AND CORPORATIONS

Section 801 allows payment for travel of families serving overseas to the United States in case of death or life threatening illness, as proposed by the House and the Senate.

Section 802 requires all agencies have a written policy for ensuring a drug free workplace, as proposed by the House and the Senate.

Section 803 sets specific limits on the cost of passenger vehicles with exceptions for police, heavy duty, electric hybrid and clean fuels, as proposed by the House.

Section 804 makes appropriations available for quarters/cost of living allowances, as proposed by the House and the Senate.

Section 805 prohibits the government from employing non-US citizens (with exceptions) whose posts are in the continental United States, as proposed by the House and the Senate.

Section 806 ensures that appropriations made available to any department or agency for space, services and rental charges shall also be available for payment to the GSA, as proposed by the House and the Senate.

Section 807 allows the use of receipts from the sale of materials for acquisition, waste reduction and prevention; environmental management programs and other federal employee programs as appropriate, as proposed by the House and the Senate.

Section 808 permits that funds for administrative expenses shall also be available for rent in the District of Columbia services under 5 U.S.C. 3109 and other objects specified in this head, as proposed by the House and the Senate.

Section 809 prohibits funds to pay to hire someone for a position for which they have been rejected by the Senate, as proposed by the House and the Senate.

Section 810 prohibits funds for interagency financing boards (with exception), commissions, counsels, committees or similar groups without prior approval to receive multi-agency funding, as proposed by the House and the Senate.

Section 811 allows use of funds for guards at Postal Service buildings, as proposed by the House and the Senate.

Section 812 precludes funds for regulations which have been disapproved by joint resolution, as proposed by the House and the Senate.

Section 813 sets ceilings on pay rates for certain Federal employees for fiscal year 2006, as proposed by the House and the Senate.

Section 814 continues the provision limiting the amount of funds that can be used for redecoration of offices under certain circumstances to $5,000, unless approved by the Appropriations Committees, as proposed by the House and the Senate.

Section 815 continues the provision to allow for interagency funding of national security and emergency telecommunications initiatives, as proposed by the House and the Senate.

Section 816 continues the provision requiring agencies to certify that a Schedule C appointment was not created solely or primarily to detail the employee to the White House, as proposed by the House and the Senate.

Section 817 continues the provision requiring agencies to administer a policy designed to ensure that all workplaces are free from discrimination and sexual harassment, as proposed by the House and the Senate.

Section 818 continues the provision prohibiting the payment of any employee who prohibits, threatens, prevents or otherwise penalizes another employee from communicating with Congress, as proposed by the House and the Senate.

Section 819 continues the provision prohibiting federal training not directly related to the performance of official duties, as proposed by the House and the Senate.

Section 820 prevents funds from being used to implement or enforce non-disclosure agreement policies unless certain provisions are included, as proposed by the House and the Senate.

Section 821 continues the provision prohibiting propaganda, publicity and lobbying by executive agency personnel in support or defeat of legislative initiatives, as proposed by the House and the Senate.

Section 822 continues the provision prohibiting any federal agency from disclosing an employee's home address to any labor organization, absent employee authorization or court order, as proposed by the House and the Senate.

Section 823 continues the provision prohibiting funds to be used to provide non-public information such as mailing or telephone lists to any person or organization outside the government without the approval of the Committees on Appropriations, as proposed by the House and the Senate.

Section 824 continues a provision, with modifications, prohibiting the use of funds for propaganda and publicity purposes not authorized by Congress, as proposed by the House.

Section 825 continues the provision directing agency employees to use official time in an honest effort to perform official duties, as proposed by the House and the Senate.

Section 826 continues the provision, with technical modifications, authorizing the use of funds to finance an appropriate share of the Federal Accounting Standards Advisory Board administrative costs, as proposed by the House and the Senate.

Section 827 continues the provision, with technical modifications, authorizing agencies to transfer funds to the Government-wide Policy account of GSA to finance an appropriate share of the Joint Financial Management Improvement Program and other purposes. The limit on funds allowed to be transferred or reimbursed is $10,000,000, as proposed by the House and the Senate.

Section 828 continues the provision that permits breast feeding in a federal building or on federal property if the woman and child are authorized to be there, as proposed by the House and the Senate.

Senate 829 continues the provision that permits interagency funding of the National Science and Technology Council and that OMB provide a report on the budget and resources of the National Science and Technology Council, as proposed by the House and the Senate.

Section 830 requires that the federal forms that are used in distributing federal funds must carry agency and domestic catalogue information and codes, as proposed by the House and the Senate.

Section 831 extends the authorization period for agency franchise funds by striking ''October 1, 2005'' and inserting ''October 1, 2006, except for the Department of Homeland Security, as proposed by the Senate.

Section 832 continues the provision prohibiting the use of funds to monitor personal information relating to the use of federal internet sites to collect, review, or create any aggregate list that includes personally identifiable information relating to access to or use of any federal internet site of such agency, as proposed by the House and the Senate.

Section 833 continues the provision requiring health plans participating in the FEHBP to provide contraceptive coverage and provides exemptions to certain religious plans, as proposed by the House and the Senate.

Section 834 continues the provision providing recognition of the U.S. Anti-Doping Agency as the official anti-doping agency for Olympic, Pan American and Paralympic sport in the United States, as proposed by the House and the Senate.

Section 835 continues a provision allowing funds for official travel to be used by departments and agencies, if consistent with OMB and Budget Circular A–126, to participate in the fractional aircraft ownership pilot program, as proposed by the House and the Senate.

Section 836 continues a provision prohibiting funds for implementation of OPM regulations limiting detailees to the Legislative Branch, and implementing limitations on the Coast Guard Congressional Fellowship Program, as proposed by the House and the Senate.

Section 837 requires Agencies to report to Congress on the amount of acquisitions made from entities that manufacture articles, materials or supplies outside the United States, as proposed by the Senate.

Section 838 continues a provision that restricts the use of funds for federal law enforcement training facilities with an exception for the Federal Law Enforcement Training Center, as proposed by the House and the Senate.

Section 839 modifies a provision proposed by the Senate that provides funding for the Midway Atoll airfield. The conferees note that the fuel farm on Midway Island is a critical but aging facility that is essential to the functioning of several Federal agencies in the region. The conferees expect the Director of the Office of Management and Budget (OMB) to submit a report to the House and Senate Committees on Appropriations not later than July 1, 2006 outlining his plan to replace the fuel farm and detailing which Federal agencies will be assessed the necessary funds to replace the facility.

Section 840 provides certain requirements for public-private competition for the performance of certain activities for offices with less than 100 FTEs, as proposed by the House and the Senate.

Section 841 modifies a provision proposed by the House that precludes the use of funds for E-Gov, including transfers until 15 days after a report is provided to Congress which details each transfer and details which projects included in the budget requests of any agency which was funded by Congress but will not be done and will be reduced as a result of the transfer and the impacts of that

loss of funding. Any transfer requires approval by the Committees on Appropriations.

Section 842 modifies a provision that was proposed by the Senate that precludes the use of funds to convert to contractors, if more than 10 federal employees perform the activity, unless the analysis reveals that savings would exceed 10 percent of the most efficient organization personnel cost or $10,000,000, whichever is the lesser. The conferees recognize that public-private competition is an effective management tool for reducing costs and improving the performance of government. The conferees request that the Office of Management and Budget advise the Committees on Appropriations of the House and the Senate of the impact of this section on the Federal government's ability to obtain best value for the taxpayer, both in terms of cost and quality, through the use of competitive sourcing. The House and Senate Committees on Appropriations will consider this information as part of the fiscal year 2007 appropriations process.

Section 843 continues a provision, with modifications, providing that the adjustment in rates of basic pay for employees under statutory pay systems taking effect in fiscal year 2006 shall be an increase of 3.1 percent, as proposed by the House and the Senate.

Section 844 continues the provision that prohibits executive branch agencies from creating prepackaged news stories that are broadcast or distributed in the United States unless the story includes a clear notification within the text or audio of that news story that the prepackaged news story was prepared or funded by that executive branch agency, as proposed by the House and the Senate.

Section 845 precludes contravention of Sec. 552a of title 5 USC (Privacy Act) or 552.224 of title 48 of the Code of Federal Regulations.

Section 846 includes a provision that in general prohibits agencies from issuing a government travel charge card to individuals who have an unsatisfactory credit history as proposed by the House. The Senate included a similar provision which also included government purchase charge cards. The conferees direct each Executive department and agency to establish requirements and benchmarks designed to reduce the improper, fraudulent, or abusive use of government purchase charge cards and report to the House and Senate Committees on Appropriations no later than August 1, 2006.

Section 847 requires any reference to ''this Act'' to apply to the provisions of this division.

The conference agreement did not include a provision proposed by the House and the Senate to prohibit the use of funds to enforce a provision of the Cuban Assets Control Regulations that impedes sales to Cuba.

DIVISION B—THE DISTRICT OF COLUMBIA

CONGRESSIONAL DIRECTIVES

The committee of conference approves report language included by the House (House Report 109–153) or the Senate (Senate Report 109–106) that is not changed by the conference. The statement of the managers, while repeating some report language for emphasis, is not intended to negate the language referred to above unless expressly provided herein.

FEDERAL FUNDS

FEDERAL PAYMENT FOR TUITION SUPPORT

The conference agreement provides $33,200,000 for tuition support as proposed by both the House and the Senate. Of the amount provided, not more than $1,200,000 is available for administrative expenses.

The conferees direct that no later than March 1, 2006, the Mayor of the District of Columbia shall submit to the Congress a detailed action plan and implementation timetable for correcting the programmatic, operational, and financial weaknesses in the District of Columbia Tuition Assistance Grant (D.C. TAG) program as identified in the findings and recommendations of the Government Accountability Office in their October 2005 report (GAO–06–14). The plan shall also make specific recommendations on the Federal legislative authority necessary to improve the program's operations while maximizing available resources to benefit as many students as possible.

FEDERAL PAYMENT FOR EMERGENCY PLANNING AND SECURITY COSTS IN THE DISTRICT OF COLUMBIA

The conference agreement provides $13,500,000 for emergency planning and security costs instead of $15,000,000 as proposed by the House and $12,000,000 as proposed by the Senate. The District of Columbia may be reimbursed from funds under this heading for public safety services in support of protecting foreign dignitaries and significant local events impacted by the presence of Federal officials, in addition to reimbursement for National Special Security Events.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA COURTS

The conference agreement provides $218,912,000 for the courts as proposed by the Senate instead of $221,693,000 as proposed by the House. Of the amounts provided, $9,198,000 is for the Court of Appeals, $87,342,000 is for the Superior Court, and $41,643,000 is for the Court System, each of which is limited to $1,500 for reception and representation expenses. The conferees also agreed to provide $80,729,000 for capital improvements to court facilities as proposed by the Senate instead of $83,510,000 as proposed by the House.

The conferees reiterate the direction of the Senate requiring the courts to report through GSA within 15 days of each month on the status of obligations for the Counsel for Child Abuse and Neglect Program.

DEFENDER SERVICES IN DISTRICT OF COLUMBIA COURTS

The conference agreement provides $44,000,000 for defender services instead of $45,000,000 as proposed by both the House and the Senate.

FEDERAL PAYMENT TO THE COURT SERVICES AND OFFENDER SUPERVISION AGENCY FOR THE DISTRICT OF COLUMBIA

(INCLUDING TRANSFER OF FUNDS)

The conference agreement provides $201,388,000 for the Court Services and Offender Supervision Agency as proposed by the Senate instead of $203,388,000 as proposed by the House. Of the amount appropriated, not more than $2,000 is for representation and reception expenses, $25,000 is for dues and assessments, $129,360,000 is for the expenses of the Community Supervision and Sex Offender Registration, $42,195,000 is for the Pretrial Service Agency, and $29,833,000 is available for transfer to the Public Defender Services Agency.

In addition, the conference agreement includes a provision allowing the Public Defender Service to charge fees to cover the costs of training and materials in this and subsequent fiscal years as proposed by the Senate. The House included a similar provision applicable only for fiscal year 2006.

FEDERAL PAYMENT TO THE DISTRICT OF COLUMBIA WATER AND SEWER AUTHORITY

The conference agreement provides $7,000,000 for the District of Columbia Water and Sewer Authority to continue implementation of the combined sewer overflow long-term plan instead of $10,000,000 as proposed by the House and $5,000,000 as proposed by the Senate.

FEDERAL PAYMENT FOR THE ANACOSTIA WATERFRONT INITIATIVE

The conference agreement provides $3,000,000 to the District of Columbia Department of Transportation for continuation of the Anacostia waterfront initiative as proposed by the Senate instead of $5,000,000 as proposed by the House.

FEDERAL PAYMENT TO THE CRIMINAL JUSTICE COORDINATING COUNCIL

The conference agreement provides $1,300,000 for the Criminal Justice Coordinating Council as proposed by both the House and Senate.

FEDERAL PAYMENT FOR TRANSPORTATION ASSISTANCE

The conference agreement provides $1,000,000 to the District of Columbia Department of Transportation for the downtown circulator transit system as proposed by the Senate. The House did not include funds for this activity. The conferees agree that the District shall provide 100 percent matching funds for the system.

FEDERAL PAYMENT FOR FOSTER CARE IMPROVEMENTS IN THE DISTRICT OF COLUMBIA

The conference agreement provides $2,000,000 for foster care improvements in the District of Columbia as proposed by the Senate. The House did not include funds for this activity. Of the amount provided, $1,750,000 is for the Child and Family Services Agency, of which $1,000,000 is for a loan repayment program for social workers and $750,000 is for post-adoption services. In addition, $250,000 is for the Washington Metropolitan Council of Governments.

FEDRAL PAYMENT TO THE OFFICE OF THE CHIEF FINANCIAL OFFICER OF THE DISTRICT OF COLUMBIA

The conference agreement provides $29,200,000 to the Chief Financial Officer (CFO), to be distributed as listed below. Each entity receiving funding must report to the CFO by March 15, 2006 on the activities carried out with the funds provided in this Act, and the CFO will submit a comprehensive report from all grantees to the House and Senate Committees on Appropriations by June 1, 2006.

The conferees direct grants to the following:

All-Faith Consortium/homeless veterans	$100,000
American Community Partnerships, Inc. (ACP)	250,000
AppleTree Institute	150,000
Arise Foundation	250,000
Arthritis Foundation, Metropolitan Washington Chapter	300,000
Association for the Preservation of the Congressional Cemetery/road repair	2,000,000
Boys and Girls Clubs of DC/gang prevention program	300,000
Camp Arena Stage	100,000
Capital Area Food Bank/capital development	1,300,000
Capitol Hill Baseball and Softball League/capital improvements	50,000
Caribbean American Mission for Education Research and Action, Inc. (CAMERA)	200,000
Catalyst Capitol City Careers Program	200,000
Center for Inspired Teaching	450,000
Centro Nia/early childhood education	200,000

Children's Health Fund/mobile health van	150,000
Children's Hospital/cord blood bank for African-American children	300,000
Children's National Medical Center	5,000,000
Children's Research Institute/Duchenne Muscular Dystrophy research	150,000
City Year	150,000
Community Youth Connection	200,000
Congressional Glaucoma Caucus	250,000
DC CARES	103,000
DC Humane Society	100,000
DC Pearls III Foundation/college preparation program	50,000
DC Primary Care Association	500,000
DC Public Charter School Association/school quality project	150,000
Discovery Creek Children's Museum/public school science program	200,000
District of Columbia Department of Transportation/safety improvements to Foxhall Road	250,000
Earth Conservation Corps	500,000
East of the River Clergy/prisoner re-entrant housing	300,000
Eastern Market Ventilation Improvements	200,000
ERONe	1,000,000
Excel Institute	1,200,000
Family Communications/educational material for child care	100,000
Father McKenna Center/homeless men's shelter	100,000
Friends of Carter Barron Foundation for the Performing Arts	100,000
Ft. Dupont Ice Arena	495,000
Georgetown Circulator	500,000
Girl Scouts Council of the Nation's Capital/young leaders project	400,000
International Youth Service and Development Corps	1,000,000
Jump Start/deployment of college students to mentor Head Start children	200,000
Latin American Youth Center Youth Build	200,000
Les Aspin Center/community service and outreach	200,000
My Sister's Place/capital development	200,000
National Campaign to Prevent Teen Pregnancy with Uhlich Children's Advantage Network	300,000
National Capital Children's Museum/capital development	250,000
National Trust for Historic Preservation/Lincoln Cottage refurbishment	1,000,000
NCMS Technology Transfer Partnership/DC College Program	727,000
Perry School Community Services Center, Inc	150,000
Public School Library Initiative	100,000
ReadNet Foundation/literacy program	300,000
Second Chance Employment Services	450,000
See Forever Foundation/employment training	100,000
Sewall Belmont House/education and outreach	100,000
Southeastern University/capital development	250,000
St. Coletta's School/capital development	1,000,000
STEED Youth Education and Recreation Program	300,000
Teacher Advancement Program Foundation/DCPS and charter school program	100,000
Teen Connection	500,000
The Lab School of Washington, DC	50,000
Thurgood Marshall Academy/capital development	500,000
Voyager Expanded Learning/DCPS program	175,000
WASA/water study	200,000
Washington Area Women's Foundation/financial independence initiative	1,000,000
Washington Jesuit Academy	250,000
Washington Metropolitan Transit Authority for the replacement of aged bi-directional antennae	450,000
Whitman-Walker Clinic/technology improvement	650,000
Youth Leadership Foundation	200,000
Total	$29,200,000

FEDERAL PAYMENT FOR SCHOOL IMPROVEMENT

The conference agreement provides $40,000,000 for school improvement as proposed by the Senate instead of $41,616,000 as proposed by the House. Of the funds provided, $13,000,000 is for improvements to the District of Columbia Public Schools and $14,000,000 is for opportunity scholarships, of which $1,000,000 is for assessments. Of the funds for the District of Columbia Public Schools not less than $250,000 shall be to support the Superintendent's assessment of public school facilities.

In addition, the conferees agree to provide $13,000,000 for charter schools as proposed by the Senate instead of $13,525,000 as proposed by the House. Of the funds provided, the conferees agree with the Senate proposal to provide $4,000,000 for the direct loan fund, $2,000,000 for credit enhancement, $2,000,000 for continuation of the City Build Charter School program, $1,500,000 for flexible grants, $2,000,000 for grants for public charter schools to improve public school facilities, $400,000 for college access programming, $300,000 for a truancy center, $250,000 for administration of Federal entitlement funding, $300,000 for data collection and analysis, and $250,000 for administration in the State Education Office.

The conferees remind the Mayor and the Council of the District of Columbia that the primary intention of seciton 342 of the fiscal year 2005 District of Columbia Appropriations Act, Public Law 108–335 as amended, is to make surplus public school facilities available to public charter schools. The provision should not be construed to prevent a consortium of charter schools, or a non-profit organization managing a charter school or an incubator for multiple charter schools, from occupying surplus public school space. The conferees are encouraged that the Mayor and the Council of the District of Columbia are moving expeditiously to make surplus facilities available to public charter schools, consistent with current law, to serve the 20,000 public charter school students in the District, thereeby retaining public funds for the benefit of public education.

FEDERAL PAYMENT FOR BIOTERRORISM AND FORENSICS LABORATORY

The conference agreement provides $5,000,000 for the construction of a bioterrorism and forensics laboratory instead of $7,200,000 as proposed by the House and $5,200,000 as proposed by the Senate. As a condition of the Federal payment, the District of Columbia must provide an additional $1,500,000 in local funds, for this project.

FEDERAL PAYMENT FOR THE NATIONAL GUARD YOUTH CHALLENGE PROGRAM

The conference agreement provides $500,000 for the District of Columbia National Guard Youth Challenge Program as proposed by the Senate. The House did not recommend funding for this program.

FEDERAL PAYMENT FOR MARRIAGE DEVELOPMENT AND IMPROVEMENT

The conference agreement provides $3,000,000 for the marriage development and improvement initiative proposed by the Senate. The House did not include funds for this program.

The conferees require that, in the event that a couple divorces prior to withdrawing funds from their marriage development account, each may withdraw what they have individually contributed but neither will be entitled to the Federal-private matching funds in the account. However, if a spouse is convicted of domestic abuse, the other partner shall be entitled to his or her share of the Federal/private match. The conferees further direct the Capital Area Asset Building Corporation to contract with an appropriate research firm to evaluate the implementation and determine the success of marriage development accounts.

DISTRICT OF COLUMBIA FUNDS

The conference agreement provides authority for the District of Columbia to spend $8,700,158,000 from the General Fund of the District of Columbia. Of the funds provided, $5,007,344,000 is from local funds, of which $466,894,000 is from the general fund balance; $1,921,287,000 is from the Federal grant funds; $1,754,399,000 is from other funds; and $17,129,000 is from private funds. in addition, the District may use $163,116,000 from prior year funds.

For capital construction, the conference agreement provides an additional $2,820,637,000 as proposed by the Senate. The House did not include this provision. Of the funds provided, $1,072,671,000 is from local funds, $49,551,000 is from the Highway Trust Fund, $172,183,000 is from the Local Street Maintenance Fund, $378,000,000 is from the security of future revenue streams, $400,000,000 is from Certificates of Participation financing, $534,800,000 is from stadium construction, and $213,432,000 is from Federal grant funds. In addition, $295,032,000 of prior year local funds are rescinded. In total, $2,525,605,000 are provided.

GENERAL PROVISIONS

Section 101 specifies that an appropriation for a particular purpose or object is the maximum available for expenditure as proposed by both the House and the Senate.

Section 102 permits funds to be used for travel and dues as proposed by both the House and the Senate.

Section 103 permits funds to be used to pay tax refunds, settlements, and judgments as proposed by both the House and the Senate.

Section 104 prohibits funds for lobbying activities and publicity to promote a boycott or statehood as proposed by the House. The Senate proposed similar provisions applicable only to Federal funds.

Section 105 establishes reprogramming guidelines as proposed by both the House and the Senate.

Section 106 limits funds for the appropriated purpose unless otherwise provided in law as proposed by both the House and the Senate.

Section 107 clarifies the District's employee compensation authority as proposed by both the House and the Senate.

Section 108 directs the Mayor to submit revenue estimates as proposed by both the House and the Senate.

Section 109 prohibits sole source contracting except under certain conditions as proposed by both the House and the Senate.

Section 110 prohibits Federal funds for the costs of a United States Senator or Representative as proposed by both the House and the Senate.

Section 111 prohibits funds for registering unmarried, cohabiting couples as proposed by both the House and the Senate.

Section 112 allows the Mayor to accept, obligate, and expend other funds not reflected in this Act as proposed by both the House and the Senate.

Section 113 restricts official vehicles to official duties except in certain circumstances as proposed by both the House and the Senate.

Section 114 prohibits funds for a financial audit unless the District Inspector General conducts or contracts for the audit as proposed by both the House and the Senate.

Section 115 prohibits funds for the District of Columbia Corporation Counsel to provide assistance for District voting representation in Congress as proposed by both the House and the Senate.

Section 116 prohibits funds for needle exchange programs as proposed by the House. The Senate proposed limiting only Federal funds for such purpose.

Section 117 prohibits funds for any governmental chief financial officer (CFO) unless that CFO certifies that he or she understands the duties of the office as proposed by the Senate. The House included a similar provision with a different reporting schedule.

Section 118 addresses contraceptive coverage by insurance plans as proposed by both the House and the Senate.

Section 119 requires the Mayor to report quarterly on various issues as proposed by both the House and the Senate.

Section 120 requires the Chief Financial Officer to submit an operating budget as proposed by both the House and the Senate.

Section 121 requires the District of Columbia Courts make available all fines levied from alcohol-related traffic violations for enforcement and prosecution of such laws as proposed by both the House and the Senate.

Section 122 addresses the payment of lawyer fees in legal cases under the Individuals with Disabilities Education Act (IDEA) as proposed by both the House and the Senate.

Section 123 requires lawyers involved in IDEA cases in the District to comply with certain reporting requirements as proposed by both the House and the Senate.

Section 124 allows for an additional $42,000,000 from District funds to be spent under certain conditions as proposed by both the House and the Senate.

Section 125 makes a technical correction to Public Law 108–335 as proposed by both the House and the Senate.

Section 126 allows for the obligation of additional District funds under certain circumstances as proposed by both the House and the Senate.

Section 127 allows the District to conduct short-term borrowing from emergency and contingency reserve funds under certain circumstances in fiscal year 2006. The House and Senate had similar provisions.

Section 128 prohibits funds to change the legality of marijuana use as proposed by both the House and the Senate.

Section 129 prohibits funds for abortion except under certain circumstances as proposed by both the House and the Senate.

Section 130 authorizes the conveyance of a parcel of Federal land to the District for a school as proposed by the Senate. The House did not include a similar provision.

Section 131 extends the authorities of the CFO with respect to personnel and preparing financial statements as proposed by the Senate. The House did not include a similar provision.

Section 132 exempts the CFO from certain provisions of the District of Columbia Procurement Practices Act as proposed by the Senate. The House did not include a similar provision.

Section 133 enacts section 4013 of the Uniform Per Student Funding Formula for Public Schools and Public Charter Schools Amendment Act of 2005 as proposed by the Senate. The House did not include a similar provision.

Section 134 makes technical changes to fiscal year 2005 funds available for the Anacostia Waterfront Corporation as proposed by the Senate. The House did not include a similar provision.

Section 135 allows an additional $250,000 to the District's Department of Health for a health study in Spring Valley as proposed by the Senate. The House did not include a similar provision.

Section 136 enacts amendments to the Ballpark Technical Amendments Act of 2005 and the Ballpark Fee Rebate Act of 2005 as proposed by the Senate. The House did not include a similar provision.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 2006 recommended by the Committee of Conference, with comparisons to the fiscal year 2005 amount, the 2006 budget estimates, and the House and Senate bills for 2006 follow:

(In thousands of dollars)

New budget (obligational) authority, fiscal year 2005	$87,431,383
Budget estimates of new (obligational) authority, fiscal year 2006	83,885,395
House bill, fiscal year 2006	91,018,996
Senate bill, fiscal year 2006	89,463,400
Conference agreement, fiscal year 2006	89,135,149
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 2005	+1,703,766
Budget estimates of new (obligational) authority, fiscal year 2006	+5,249,754
House bill, fiscal year 2006	−1,883,847
Senate bill, fiscal year 2006	−328,251

JOE KNOLLENBERG,
FRANK R. WOLF,
HAROLD ROGERS,
TODD TIAHRT,
ANNE M. NORTHUP,
ROBERT B. ADERHOLT,
JOHN E. SWEENEY,
JOHN ABNEY CULBERSON,
RALPH REGULA,
JERRY LEWIS,
JOHN W. OLVER,
STENY H. HOYER,
ED PASTOR,
CAROLYN C. KILPATRICK,
JAMES E. CLYBURN,
STEVEN R. ROTHMAN,
Managers on the Part of the House.

CHRISTOPHER S. BOND,
RICHARD C. SHELBY,
ARLEN SPECTER,
R.F. BENNETT,
KAY BAILEY HUTCHISON,
MIKE DEWINE,
SAM BROWNBACK,
TED STEVENS,
PETE DOMENICI,
CONRAD BURNS,
WAYNE ALLARD,
THAD COCHRAN,
PATTY MURRAY,
ROBERT C. BYRD,
BARBARA MIKULSKI,
HARRY REID,
HERB KOHL,
RICHARD J. DURBIN *(except for Cuba trade)*,
BYRON L. DORGAN *(except for Cuba trade)*,
PATRICK J. LEAHY *(except for Cuba trade)*,
TOM HARKIN *(except for Cuba trade)*,
MARY L. LANDRIEU *(except for Cuba trade)*,
DANIEL K. INOUYE *(except for Section 173)*,
Managers on the Part of the Senate.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 206. An act to designate the Ice Age Floods National Geologic Trail, and for other purposes; to the Committee on Resources.

S. 213. An act to direct the Secretary of the Interior to convey certain Federal land to Rio Arriba County, New Mexico; to the Committee on Resources.

S. 251. An act to authorize the Secretary of the Interior, acting through the Bureau of Reclamation, to conduct a water resource feasibility study for the Little Butte/Bear Creek Subbasins in Oregon; to the Committee on Resources.

S. 652. An act to provide financial assistance for the rehabilitation of the Benjamin Franklin National Memorial in Philadelphia, Pennsylvania, and the development of an exhibit to commemorate the 300th anniversary of the birth of Benjamin Franklin; to the Committee on Resources.

S. 761. An act to rename the Snake River Birds of Prey National Conservation Area in the State of Idaho as the Morley Nelson Snake River Birds of Prey National Conservation Area in honor of the late Morley Nelson, an international authority on birds of prey, who was instrumental in the establishment of this National Conservation Area, and for other purposes; to the Committee on Resources.

S. 777. An act to designate Catoctin Mountain Park in the State of Maryland as the ''Catoctin Mountain National Recreation Area'', and for other purposes; to the Committee on Resources.

S. 819. An act to authorize the Secretary of the Interior to reallocate costs of the Pactola Dam and Reservoir, South Dakota, to reflect increased demands for municipal, industrial, and fish and wildlife purposes; to the Committee on Resources.

S. 891. An act to extend the water service contract for the Ainsworth Unit, Sandhills Division, Pick-Sloan Missouri Basin Program, Nebraska; to the Committee on Resources.

S. 895. An act to direct the Secretary of the Interior to establish a rural water supply program in the Reclamation States to provide a clean, safe, affordable, and reliable

water supply to rural residents; to the Committee on Resources.

S. 958. An act to amend the National Trails System Act to designate the Star-Spangled Banner Trail in the States of Maryland and Virginia and the District of Columbia as a National Historic Trail; to the Committee on Resources.

S. 1154. An act to extend the Acadia National Park Advisory Commission, to provide improved visitor services at the park, and for other purposes; to the Committee on Resources.

S. 1338. An act to require the Secretary of the Interior, acting through the Bureau of Reclamation and the United States Geological Survey, to conduct a study on groundwater resources in the State of Alaska, and for other purposes; to the Committee on Resources.

S. 1627. An act to authorize the Secretary of the Interior to conduct a special resources study to evaluate resources along the coastal region of the State of Delaware and to determine the suitability and feasibility of establishing a unit of the National Park System in Delaware; to the Committee on Resources.

ENROLLED BILLS SIGNED

Mr. Trandahl, Clerk of the House, reported and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 126. An act to amend Public Law 89–366 to allow for an adjustment in the number of free roaming horses permitted in Cape Lookout National Seashore.

H.R. 539. An act to designate certain National Forest System land in the Commonwealth of Puerto Rico as a component of the National Wilderness Preservation System.

H.R. 584. An act to authorize the Secretary of the Interior to recruit volunteers to assist with, or facilitate, the activities of various agencies and offices of the Department of the Interior.

H.R. 606. An act to authorize appropriations to the Secretary of the Interior for the restoration of the Angel Island Immigration Station in the State of California.

H.R. 1101. An act to revoke a Public Land Order with respect to certain lands erroneously included in the Cibola National Wildlife Refuge, California.

H.R. 1972. An act to direct the Secretary of the Interior to conduct a special resource study to determine the suitability and feasibility of including in the National Park System certain sites in Williamson County, Tennessee, relating to the Battle of Franklin.

H.R. 1973. An act to make access to safe water and sanitation for developing countries a specific policy objective of the United States foreign assistance programs, and for other purposes.

H.R. 2862. An act making appropriations for Science, the Departments of State, Justice, and Commerce, and related agencies for the fiscal year ending September 30, 2006, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1234. An act to increase, effective as of December 1, 2005, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans.

ADJOURNMENT

Mr. LINCOLN DIAZ-BALART of Florida. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 33 minutes a.m.), the House adjourned until today, Friday, November 18, 2005, at 9 a.m.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized or speaker-authorized official travel during the second, third, and fourth quarters of 2005, pursuant to Public Law 95–384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. ROBERT LAWRENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 22 AND SEPT. 1, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Robert Lawrence	8/22	8/23	Indonesia		266.00		7,525.15				7,791.15
	8/23	8/27	East Timor		1,428.00						1,428.00
	8/27	9/01	Indonesia		1,330.00						1,330.00
Committee total											10,549.15

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Transportation cost is for entire trip.

J. DENNIS HASTERT, Chairman, Sept. 21, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, HON. ALCEE L. HASTINGS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 3 AND OCT. 10, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Alcee L. Hastings	10/03	10/05	Austria	292.86	352.00					292.86	352.00
	10/05	10/10	Serbia and Montenegro		540.00						540.00
Committee total											892.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

ALCEE L. HASTINGS, Chairman, Oct. 24, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MR. FRED L. TURNER, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 3 AND OCT. 10, 2005

Name of Employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Fred L. Turner	10/03	10/05	Austria	292.86	352.00					292.86	352.00
	10/05	10/10	Serbia and Montenegro		540.00						540.00
Committee total											892.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

FRED L. TURNER, Oct. 24, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO SCOTLAND AND LUXEMBOURG, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 16 AND SEPT. 20, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. J. Dennis Hastert	9/16	9/19	Scotland		1,461.00		(3)				1,461.00
Scott Palmer	9/16	9/19	Scotland		1,461.00		(3)				1,461.00
Ted Van Der Meid	9/16	9/19	Scotland		1,461.00		(3)				1,461.00
Chris Walker	9/16	9/19	Scotland		1,461.00		(3)				1,461.00
Sam Lancaster	9/16	9/19	Scotland		1,461.00		(3)				1,461.00
Dr. John F. Eisold	9/16	9/19	Scotland		1,461.00		(3)				1,461.00
Hon. Bill Livingood	9/16	9/19	Scotland		1,461.00		(3)				1,461.00
John Sullivan	9/16	9/19	Scotland		1,461.00		(3)				1,461.00
Martha Morrison	9/16	9/19	Scotland		1,461.00		(3)				1,461.00
Hon. J. Dennis Hastert	9/19	9/20	Luxembourg		349.00		(3)				349.00
Scott Palmer	9/19	9/20	Luxembourg		349.00		(3)				349.00
Ted Van Der Meid	9/19	9/20	Luxembourg		349.00		(3)				349.00
Chris Walker	9/19	9/20	Luxembourg		349.00		(3)				349.00
Sam Lancaster	9/19	9/20	Luxembourg		349.00		(3)				349.00
Dr. John F. Eisold	9/19	9/20	Luxembourg		349.00		(3)				349.00
Hon. Bill Livingood	9/19	9/20	Luxembourg		349.00		(3)				349.00
John Sullivan	9/19	9/20	Luxembourg		349.00		(3)				349.00
Martha Morrison	9/19	9/20	Luxembourg		349.00		(3)				349.00
Committee total											16,310.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

J. DENNIS HASTERT, Chairman, Sept. 28, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON AGRICULTURE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]

HOUSE COMMITTEES
Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BOB GOODLATTE, Chairman, Oct. 18, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON HOUSE ADMINISTRATION, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]

HOUSE COMMITTEES
Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

ROBERT W. NEY, Chairman, Oct. 4, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN AUG. 26 AND SEPT. 1, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Fr. Daniel Loughlin	8/26	8/28	Greece		855.00		(3)				855.00
	8/28	8/29	Ukraine		261.00		(3)				261.00
	8/29	8/31	Estonia		420.00		(3)				420.00
	8/31	9/1	Iceland		422.00		(3)				422.00
Committee total											1,958.00

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

FR. DANIEL COUGHLIN, Sept. 21, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON JUDICIARY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]

HOUSE COMMITTEES
Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

F. JAMES SENSENBRENNER, Jr., Chairman, Oct. 11, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
HOUSE COMMITTEES											
Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒											

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DAVID DREIER, Chairman, Oct. 20, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RULES, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Tom Cole	7/23	7/24	Libya		394.00		(3)				394.00
	7/24	7/24	Lebanon				(3)				
	7/24	7/25	Cyprus		257.00		(3)				257.00
	7/25	7/25	Lebanon				(3)				
	7/25	7/26	United Kingdom		186.00		(3)				186.00
Hon. Phil Gingrey	7/30	8/01	Germany		381.00		(3)				381.00
	8/01	8/05	Italy		756.00		(3)				756.00
	8/05	8/07	France		344.00		(3)				344.00
	8/15	8/18	Sweden		1,938.15		(3)				1,938.15
	8/18	8/18	Norway		232.00		(3)				232.00
	8/18	8/21	Finland		1,288.28		(3)				1,288.28
	8/21	8/24	Germany		1,511.76		(3)				1,511.76
Committee total					7,288.19						7,288.19

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

DAVID DREIER, Chairman, Oct. 20, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SCIENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Joe Schwarz	7/2	7/5	United Kingdom		361.00		6,147.06				6,508.06
Edith Thompson	7/2	7/5	United Kingdom		967.79		6,127.00				7,094.79
Amy Chiang	9/4	9/11	China		668.93		5,710.43				6,379.36
Committee total					1,997.72		17,984.49				19,982.21

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Commercial air transportation.

———, Oct. 5, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON VETERANS' AFFAIRS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
HOUSE COMMITTEES											
Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒											

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

STEVE BUYER, Chairman, Oct. 4, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 3 AND JULY 9, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Bill Thomas	7/03	7/05	Colombia		518.00		(3)				518.00
	7/05	7/06	Equador		272.00		(3)				272.00
	7/06	7/09	Peru		784.00		228.48				1,012.48
Hon. Clay Shaw	7/03	7/05	Colombia		518.00		(3)				518.00
	7/05	7/06	Equador		272.00		(3)				272.00
	7/06	7/09	Peru		784.00		228.48				1,012.48
Hon. Jerry Weller	7/03	7/05	Colombia		518.00		(3)				518.00
	7/05	7/06	Equador		272.00		(3)				272.00
	7/06	7/09	Peru		784.00		228.48				1,012.48
Hon. Stephanie Tubbs Jones	7/03	7/05	Colombia		518.00		(3)				518.00
	7/05	7/06	Equador		272.00		(3)				272.00
	7/06	7/09	Peru		784.00		228.48				1,012.48
Hon. Devin Nunes	7/03	7/05	Colombia		518.00		(3)				518.00
	7/05	7/06	Equador		272.00		(3)				272.00
	7/06	7/09	Peru		784.00		228.48				1,012.48
Angela Ellard	7/03	7/05	Colombia		518.00		(3)				518.00
	7/05	7/06	Equador		272.00		(3)				272.00
	7/06	7/09	Peru		784.00		228.48				1,012.48
Mary Sue Englund	7/03	7/05	Colombia		518.00		(3)				518.00
	7/05	7/06	Equador		272.00		(3)				272.00
	7/06	7/09	Peru		784.00		228.48				1,012.48
Stephanie Lester	7/03	7/05	Colombia		518.00		(3)				518.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON WAYS AND MEANS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 3 AND JULY 9, 2005—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	7/05	7/06	Equador		272.00		(3)				272.00
	7/06	7/09	Peru		784.00		228.48				1,012.48
Mr. Steve Schrage	7/03	7/05	Colombia		518.00		(3)				518.00
	7/05	7/06	Equador		272.00		(3)				272.00
	7/06	7/09	Peru		784.00		228.48				1,012.48
Julie Herwig	7/03	7/05	Colombia		518.00		(3)				518.00
	7/05	7/06	Equador		272.00		(3)				272.00
	7/06	7/09	Peru		784.00		228.48				1,012.48
Committee total					7,870.00		1,142.40				9,012.40

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

BILL THOMAS, Chairman, Oct. 4, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, JOINT COMMITTEE ON THE LIBRARY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]

HOUSE COMMITTEES
Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

ROBERT W. NEY, Chairman, Oct. 4, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, JOINT COMMITTEE ON TAXATION, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]

HOUSE COMMITTEES
Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

BILL THOMAS, Chairman, Oct. 4, 2005.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports concerning the foreign currencies and U.S. dollars utilized for speaker-authorized official travel during the third quarter of 2005, pursuant to Public Law 95–384 are as follows:

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION TO CANADA-U.S. INTERPARLIAMENTARIAN GROUP CONFERENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 30 AND OCT. 2, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Don Manzullo, Chairman	9/30	10/2		1,583.55	1,413.89		(3)				1,413.89
Hon. Thaddeus McCotter	9/30	10/2		1,054.05	938.13		(3)				938.13
Hon. Jim Oberstar	9/30	10/2		997.05	890.23		(3)				890.23
Hon. E. Clay Shaw	9/30	10/2		997.05	890.23		(3)				890.23
Hon. Dan Lipinski	9/30	10/2		893.55	797.82		(3)				797.82
Hon. Louise Slaughter	9/30	10/2		997.05	890.23		(3)				890.23
Hon. Cliff Stearns	9/30	10/2		893.55	797.82		(3)				797.82
Hon. Phil English	9/30	10/2		1,008.55	899.89		(3)				899.89
Hon. Mark Souder	9/30	10/2		997.05	890.23		(3)				890.23
Hon. Thomas Tancredo	9/30	10/2		997.05	890.23		(3)				890.23
Mr. Phil Eskeland	9/30	10/2		738.30	659.20		(3)				659.20
Mr. Ted Brennan	9/30	10/2		756.06	674.13		(3)				674.13
Mr. Sam Stratman	9/30	10/2		492.20	416.52		(3)				416.52
Ms. Linda Solomon	9/30	10/2		779.67	693.97		(3)				693.97
Mr. Brian Wanko	9/30	10/2		912.98	814.15		(3)				814.15
Mr. Carl Ek	9/30	10/2		756.88	674.99		(3)				674.99
Miscellaneous and Group Gratuities	9/30	10/2						444.25	380.00		380.00
Committee total					13,231.66				380.00		13,611.66

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

DONALD A. MANZULLO, Chairman, Nov. 7, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Michelle Mrdeza	7/7	7/10	Ireland		[3] $1,890.04						$1,890.04

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
									132.52		132.52
Commercial Airfare							$5,660.19				$5,660.19
Stephanie Gupta	7/7	7/10	Ireland		1,890.04						1,890.04
Commercial Airfare							1,708.83				1,708.83
Hon. C.W. Bill Young	7/2	7/8	Italy		1,132.00						1,132.00
									[4] 8,094.69		8,094.69
							(5)				
Hon. John Sweeney	7/2	7/8	Italy		1,132.00						1,132.00
									[4] 8,094.69		8,094.69
							(5)				
Doug Gregory	7/2	7/8	Italy		1,132.00						1,132.00
									[4] 8,094.69		8,094.69
							(5)				
John T. Blazey II	7/2	7/8	Italy		1,132.00						1,132.00
									[4] 8,094.69		8,094.69
							(5)				
Hon. David Hobson	7/8	7/10	Canada		769.14						769.14
							(5)				
Hon. Kay Granger	7/8	7/10	Canada		769.14						769.14
Commercial Airfare							1,605.45				1,605.45
Hon. Mike Simpson	7/8	7/10	Canada		769.14						769.14
							(5)				
Scott Burnison	7/8	7/10	Canada		769.14						769.14
							(5)				
Hon. James T. Walsh	7/30	8/1	Germany		381.00						381.00
	8/1	8/5	Italy		756.00						756.00
	8/5	8/7	France		344.00						344.00
							(5)				
Hon. Chet Edwards	7/30	8/2	Germany		592.00						592.00
Part Commercial Airfare							2,868.76				2,868.76
							(6)				
Hon. Dennis R. Rehberg	7/30	8/1	Germany		381.00						381.00
	8/1	8/5	Italy		756.00						756.00
	8/5	8/7	France		344.00						344.00
							(5)				
Hon. Robert E. Cramer,Jr	7/30	8/1	Germany		381.00						381.00
	8/1	8/5	Italy		756.00						756.00
	8/5	8/7	France		344.00						344.00
							(5)				
Hon. John R. Carter	7/30	8/1	Germany		381.00						381.00
	8/1	8/5	Italy		756.00						756.00
	8/5	8/7	France		344.00						344.00
							(5)				
Carol Murphy	7/30	8/1	Germany		381.00						381.00
	8/1	8/5	Italy		756.00						756.00
	8/5	8/7	France		344.00						344.00
							(5)				
Tim Peterson	7/30	8/1	Germany		381.00						381.00
	8/1	8/5	Italy		756.00						756.00
	8/5	8/7	France		344.00						344.00
							(5)				
Thomas Forhan	7/30	8/1	Germany		381.00						381.00
	8/1	8/5	Italy		756.00						756.00
	8/5	8/7	France		344.00						344.00
							(5)				
Nisha Desai	7/31	7/31	United Kingdom		394.00						394.00
	8/1	8/4	Kampala/Uganda		879.00						879.00
	8/4	8/5	Goma		134.00						134.00
	8/5	8/7	Bukavu		270.00						270.00
	8/7	8/10	Kigali		177.00						177.00
	8/10	8/11	Nairobi		230.00						230.00
Commercial Airfare							8,394.73				8,394.73
Hon. Tom Latham	8/12	8/16	Russia		1,363.00						1,363.00
	8/16	8/18	Poland		730.00						730.00
	8/18	8/19	Hungary		392.00						392.00
	8/19	8/20	Jordan		612.00						612.00
	8/20	8/20	Iraq								
	8/20	8/21	Ireland		631.00						631.00
							(5)				
Linda Pagelsen	8/21	8/27	United Kingdom		1,700.00						1,700.00
									132.00		132.00
Commercial Airfare							6,433.18				6,433.18
Martin Delgado	8/21	8/27	Argentina		1,112.00						1,112.00
Commercial Airfare							5,014.65				5,014.65
Maureen Holohan	8/21	8/27	Argentina		1,112.00						1,112.00
Commercial Airfare							4,883.65				4,883.65
Hon. David Hobson	8/16	8/18	Sweden		1,938.15						1,938.15
	8/18	8/18	Norway		232.00						232.00
	8/18	8/21	Finland		1,288.28						1,288.28
	8/21	8/24	Germany		1,511.76						1,511.76
							(5)				
Hon. Ed Pastor	8/16	8/18	Sweden		1,938.15						1,938.15
	8/18	8/18	Norway		232.00						232.00
	8/18	8/21	Finland		1,288.28						1,288.28
	8/21	8/24	Germany		1,511.76						1,511.76
							(5)				
Hon. James Clyburn	8/16	8/18	Sweden		1,938.15						1,938.15
	8/18	8/18	Norway		232.00						232.00
	8/18	8/21	Finland		1,288.28						1,288.28
	8/21	8/24	Germany		1,511.76						1,511.76
							(5)				
Hon. Marion Berry	8/16	8/18	Sweden		1,938.15						1,938.15
	8/18	8/18	Norway		232.00						232.00
	8/18	8/21	Finland		1,288.28						1,288.28
	8/21	8/24	Germany		1,511.76						1,511.76
							(5)				
Kevin Cook	8/16	8/18	Sweden		1,938.15						1,938.15
	8/18	8/18	Norway		232.00						232.00
	8/18	8/21	Finland		1,288.28						1,288.28
	8/21	8/24	Germany		1,511.76						1,511.76
							(5)				
Scott Burnison	8/16	8/18	Sweden		1,938.15						1,938.15
	8/18	8/18	Norway		232.00						232.00
	8/18	8/21	Finland		1,288.28						1,288.28
	8/21	8/24	Germany		1,511.76						1,511.76

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
							(5)				
Dixon Butler	8/16	8/18	Sweden		1,938.15						1,938.15
	8/18	8/18	Norway		232.00						232.00
	8/18	8/21	Finland		1,288.28						!1,288.28
	8/21	8/21	Germany		1,511.76						1,511.76
							(5)				
Hon. Frank Wolf	8/27	8/28	Jordan		204.00						204.00
	8/28	8/29	Iraq								
	8/29	8/31	Qatar		198.00						198.00
	8/31	9/1	Afghanistan								
	9/1	9/2	Germany		308.00						308.00
Part Commerial Airfare							11,829.37				11,829.37
							(6)				
Hon. C.W. Bill Young	8/26	8/28	Austria		956.80						956.80
	8/28	8/30	Belgium		950.44						950.44
	8/30	9/1	Ireland		798.40						798.40
							(5)				
Hon. Henry Bonilla	8/26	8/28	Austria		956.80						956.80
	8/28	8/30	Belgium		950.44						950.44
	8/30	9/1	Ireland		798.40						798.40
							(5)				
Hon. Kay Granger	8/26	8/28	Austria		956.80						956.80
	8/28	8/30	Belgium		950.44						950.44
							(5)				
Hon. Chaka Fattah	8/26	8/28	Austria		956.80						956.80
	8/28	8/30	Belgium		950.44						950.44
	8/30	9/1	Ireland		798.40						798.40
Part Commercial Airfare							1,030.30				1,030.30
							(6)				
John Shank	8/28	8/30	Belgium		950.44						950.44
	8/30	8/31	Ireland		399.20						399.20
	9/1		USA								
Part Commercial Airfare							2,985.10				2,985.10
							(6)				
Doug Gregory	8/26	8/28	Austria		956.80						956.80
	8/28	8/30	Belgium		950.44						950.44
	8/30	9/1	Ireland		798.40						798.40
							(5)				
Kevin Jones	8/26	8/28	Austria		956.80						956.80
	8/28	8/30	Belgium		950.44						950.44
	8/30	9/1	Ireland		798.40						798.40
							(5)				
Rodney Bent	8/29	9/20	Egypt		1,445.00						1,445.00
Commercial Airfare							6,076.00				6,076.00
Hon. David Hobson	8/31	9/1	Jordan		254.00						254.00
	9/1	9/2	Belgium		370.00						370.00
							(5)				
Hon. John Murtha	8/31	9/1	Jordan		254.00						254.00
	9/1	9/2	Belgium		370.00						370.00
							(5)				
John Shank	8/31	9/1	Jordan		254.00						254.00
	9/1	9/2	Belgium		370.00						370.00
Part Commercial Airfare							2,391.65				2,391.65
							(6)				
David Morrison	8/31	9/1	Jordan		254.00						254.00
	9/1	9/2	Belgium		370.00						370.00
							(5)				
Mike Ringler	9/29	9/30	Haiti		285.00						285.00
Commercial Airfare							714.00				714.00
Robert Blair	8/21	8/24	Kazakhstan		930.00						930.00
	8/24	8/28	Uzbekistan		912.00						912.00
	8/28	9/2	Krgystan		1,195.00						1,195.00
Commercial Airfare							8,772.00				8,772.00
Committee Totals:					94,247.05		70,367.86		32,643.28		197,258.19

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Received $400 excess per diem—Reimbursed U.S. Treasury $267.48.
[4] Miscellaneous embassy expenses.
[5] Military Air Transportation.
[6] Part Military Air Transportation.

JERRY LEWIS, Chairman, Oct. 27, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON APPROPRIATIONS, SURVEYS AND INVESTIGATIONS STAFF, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Nosik, Douglas D.	9/18	9/23	Germany		1,386.75		7,725.92		218.30		9,330.97
	9/23	9/24	The Netherlands		328.00						328.00
	9/24	9/27	Norway		1,078.00						1,078.00
	9/28	9/30	Italy		594.00						594.00
Pearre, Robert H., Jr.	9/26	9/27	Norway		462.00		6,366.85		57.87		6,886.72
	9/28	9/29	Italy		396.00						396.00
Phillips, John N.	9/18	9/23	Germany		1,386.75		7,523.92		138.01		9,048.68
	9/23	9/24	The Netherlands		328.00						328.00
	9/24	9/27	Norway		1,078.00						1,078.00
	9/28	9/30	Italy		594.00						594.00
Vanderslice, Thomas L.	9/18	9/23	Germany		1,385.75		7,725.92		170.82		9,282.49
	9/23	9/24	The Netherlands		328.00						328.00
	9/24	9/27	Norway		1,078.00						1,078.00
	9/28	9/30	Italy		594.00						594.00
Committee totals				11,017.25		29,342.61			585.00		40,944.86

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

JERRY LEWIS, Chairman, Oct. 27, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Visit to Kuwait, Iraq, July 2–5, 2005:											
Hon. Jim Saxton	7/3	7/5	Kuwait		788.00						788.00
Commercial airfare	7/4	7/4	Iraq				7,783.43				7,783.43
Hon. Jim Marshall	7/3	7/5	Kuwait		788.00						788.00
Commercial airfare	7/4	7/4	Iraq				7,763.43				7,763.43
Mr. Joshua Holly	7/3	7/5	Kuwait		788.00						788.00
Commercial airfare	7/4	7/4	Iraq				5,290.43				5,290.43
Delegation expenses	7/3	7/5	Kuwait				52.52		255.22		307.74
Visit to Germany, Iraq, Kuwait, Afghanistan, France, July 5–10, 2005:											
Hon. Geoff Davis	7/7	7/8	Kuwait		394.00						394.00
	7/8	7/8	Iraq								
	7/9	7/9	Kyrgyzstan								
	7/9	7/9	Afghanistan								
	7/10	7/10	France		172.00						172.00
Hon. Mike Conaway	7/7	7/8	Kuwait		394.00						394.00
	7/8	7/8	Iraq								
	7/9	7/9	Kyrgyzstan								
	7/9	7/9	Afghanistan								
	7/10	7/10	France		172.00						172.00
Hon. Jim Cooper	7/7	7/8	Kuwait		394.00						394.00
	7/8	7/8	Iraq								
	7/9	7/9	Kyrgyzstan								
	7/9	7/9	Afghanistan								
	7/10	7/10	France		172.00						172.00
Commercial airfare							4,307.67				4,307.67
Hon. Madeleine Bordallo	7/7	7/8	Kuwait		394.00						394.00
	7/8	7/8	Iraq								
	7/9	7/9	Kyrgyzstan								
	7/9	7/9	Afghanistan								
	7/10	7/10	France		172.00						172.00
Ms. Mary Ellen Fraser	7/7	7/8	Kuwait		394.00						394.00
	7/8	7/8	Iraq								
	7/9	7/9	Kyrgyzstan								
	7/9	7/9	Afghanistan								
	7/10	7/10	France		172.00						172.00
Mr. Erin Conaton	7/7	7/8	Kuwait		394.00						394.00
	7/8	7/8	Iraq								
	7/9	7/9	Kyrgyzstan								
	7/9	7/9	Afghanistan								
	7/10	7/10	France		172.00						172.00
Delegation expenses	7/7	7/8	Kuwait				234.00		1,703.97		1,937.97
	7/10	7/10	France						5,419.13		5,419.13
Visit to Guantanamo Bay, Cuba, El Salvador, Honduras, July 6–8, 2005:											
Hon. Jeff Miller	7/6	7/6	Cuba		0.00						0.00
	7/6	7/7	Honduras		101.00						101.00
	7/6	7/7	El Salvador		241.00						241.00
Ms. Stephanie Sanok	7/6	7/6	Cuba		0.00						0.00
	7/6	7/7	Honduras		101.00						101.00
	7/6	7/7	El Salvador		241.00						241.00
Ms. Loren Dealy	7/6	7/6	Cuba		0.00						0.00
	7/6	7/7	Honduras		101.00						101.00
	7/6	7/7	El Salvador		241.00						241.00
Delegation expenses	7/6	7/7	El Salvador						292.60		292.60
Visit to France with CODEL Hoekstra, July 14–16, 2005:											
Hon. Curt Weldon	7/15	7/16	France		431.00						431.00
Commercial airfare							4,901.51				4,901.51
Hon. Solomon Ortiz	7/15	7/16	France		431.00						431.00
Commercial airfare							6,151.51				6,151.51
Visit to Libya, Lebanon, Cyprus, United Kingdom, July 21–25, 2005:											
Hon. Curt Weldon	7/23	7/24	Libya		394.00						394.00
	7/24	7/24	Lebanon								
	7/24	7/25	Cyprus		257.00						257.00
	7/25	7/25	Lebanon								
	7/25	7/26	United Kingdom		186.00						186.00
Hon. Solomon Ortiz	7/23	7/24	Libya		394.00						394.00
	7/24	7/24	Lebanon								
	7/24	7/25	Cyprus		257.00						257.00
	7/25	7/25	Lebanon								
	7/25	7/26	United Kingdom		186.00						186.00
Hon. Silvestre Reyes	7/23	7/24	Libya		394.00						394.00
	7/24	7/24	Lebanon								
	7/24	7/25	Cyprus		257.00						257.00
	7/25	7/25	Lebanon								
	7/25	7/26	United Kingdom		186.00						186.00
Mr. Douglas Roach	7/23	7/24	Libya		394.00						394.00
	7/24	7/24	Lebanon								
	7/24	7/25	Cyprus		257.00						257.00
	7/25	7/25	Lebanon								
	7/25	7/26	United Kingdom		186.00						186.00
Mr. Henry J. Schweiter	7/23	7/24	Libya		394.00						394.00
	7/24	7/24	Lebanon								
	7/24	7/25	Cyprus		257.00						257.00
	7/25	7/25	Lebanon								
	7/25	7/26	United Kingdom		186.00						186.00
Mr. Joshua Holly	7/23	7/24	Libya		394.00						394.00
	7/24	7/24	Lebanon								
	7/24	7/25	Cyprus		257.00						257.00
	7/25	7/25	Lebanon								
	7/25	7/26	United Kingdom		186.00						186.00
Delegation expenses	7/24	7/25	Cyprus						3,573.34		3,573.34
Visit to Germany, Iraq, Kuwait, August 9–13, 2005:											
Hon. Mike Rogers	8/10	8/12	Kuwait		788.00						788.00
	8/10	8/11	Iraq								
	8/12	8/13	Germany		210.00						210.00
Mr. Harry Cartland	8/10	8/12	Kuwait		788.00						788.00
	8/10	8/11	Iraq								
	8/12	8/13	Germany		210.00						210.00
Mr. Paul Arcangeli	8/10	8/12	Kuwait		788.00						788.00
	8/10	8/11	Iraq								
	8/12	8/13	Germany		210.00						210.00
Mr. John Wason	8/10	8/12	Kuwait		788.00						788.00
	8/10	8/11	Iraq								

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON ARMED SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	8/12	8/13	Germany		210.00						210.00
Delegation expenses	8/10	8/12	Kuwait				342.16		2,410.25		2,752.41
Visit to Jordan, Iraq with CODEL Hoekstra, August 21–24, 2005:											
Hon. Joe Wilson	8/21	8/24	Jordan		762.00						762.00
Commercial airfare	8/22	8/23	Iraq				4,526.76				4,526.76
Visit to Italy with CODEL Hagel, August 21–25, 2005:											
Hon. Ellen Tauscher	8/22	8/23	Italy		453.00						453.00
Commercial airfare							5,987.66				5,987.66
Visit to Brazil, Chile, Uruguay, Columbia with CODEL Coleman, August 22–26, 2005:											
Hon. Jeff Miller	8/22	8/24	Brazil		309.00						309.00
	8/24	8/25	Uruguay		143.00						143.00
	8/25	8/26	Chile		298.00						298.00
Visit to Pakistan, Afghanistan with CODEL Rogers, August 22–29, 2005:											
Hon. Frank LoBionbo	8/22	8/23	United Kingdom		444.00						444.00
	8/24	8/26	Afghanistan		180.00						180.00
	8/26	8/28	Pakistan		626.00						626.00
Commercial airfare							7,845.07				7,845.07
Visit to Morocco, Egypt, Lebanon, Cyprus, Israel with CODEL Davis, August 26–September 6, 2005:											
Hon. Martin Meehan	8/26	8/29	Morocco		890.00						890.00
	8/29	8/31	Cyprus		660.00						660.00
	8/31	9/2	Israel		724.00						724.00
	9/2	9/5	Egypt		874.00						874.00
Hon. Kendrick Meek	8/26	8/29	Morocco		890.00						890.00
	8/29	8/31	Cyprus		660.00						660.00
	8/31	9/2	Israel		724.00						724.00
	9/2	9/5	Egypt		874.00						874.00
Visit to China, August 31–September 4, 2005:											
Hon. Joe Wilson	9/1	9/4	China		873.00						873.00
Commercial airfare							3,847.16				3,847.16
Hon. Madeleine Bordallo	9/1	9/4	China		873.00						873.00
Commercial airfare							4,282.16				4,282.16
Visit to Egypt, Qatar, Kuwait, Iraq with CODEL Pence, August 31–September 6, 2005:											
Hon. Mike McIntyre	9/1	9/2	Egypt		288.97						288.97
	9/2	9/3	Qatar		326.98						326.98
	9/3	9/6	Kuwait		1,182.00						1,182.00
	9/4	9/5	Iraq								
Commercial airfare							6,658.66				6,658.66
Committee total:					30,714.95		69,974.13		13,654.51		114,343.59

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

DUNCAN HUNTER, Chairman, Oct. 31, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON THE BUDGET, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Chris Chocola	7/30	7/30	Cuba				(3)				
Hon. Henry Cueller	8/16	8/18	Kuwait, Iraq		508.00		(3)				508.00
	8/19	8/19	Germany		83.95		(3)				83.95
Hon. Jo Bonner	8/26	8/27	Austria		424.64		(3)				424.64
	8/28	8/29	Belgium		935.56		(3)				935.56
	8/30	8/30	United States				889.18				889.18
Committee total					1,952.15		889.18				2,841.83

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

JIM NUSSLE, Chairman, Oct. 28, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON EDUCATION AND THE WORKFORCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Kenny Marchant	7/7	7/8	Kuwait		394.00		58.50		213.00		665.50
	7/10	7/10	Paris		514.50		6,248.67		1,104.28		7,867.45
Luis Fortuño	8/25	8/28	Greece		855.00		(3)				855.00
	8/28	8/29	Ukraine		261.00		(3)				261.00
	8/29	8/31	Estonia		420.00		(3)				420.00
	8/31	9/1	Iceland		422.00		(3)				422.00
Sam Johnson	9/23	9/25	Kuwait		788.00		(3)				788.00
	9/25	9/26	Qatar		327.00		(3)				327.00
	9/26	9/27	United Kingdom		335.00		(3)				335.00
David Wu	9/23	9/25	Kuwait		788.00		(3)				788.00
	9/25	9/26	Qatar		327.00		(3)				327.00
	9/26	9/27	United Kingdom		335.00		(3)				335.00
Committee total					5,766.50		6,307.17		1,137.28		13,390.95

[1] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[2] Per diem constitutes lodging and meals.
[3] Military air transportation.

JOHN BOEHNER, Chairman, Oct. 28, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON FINANCIAL SERVICES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Tom Price	7/6	7/7	Honduras		101.00		(3)				101.00
	7/7	7/8	El Salvador		241.00		(3)				241.00
Hon. Michael Fitzpatrick	8/21	8/26	Israel		1,472.00		4,753.28				6,225.28
Hon. Melvin Watt	8/26	8/28	Greece		855.00		(3)				855.00
	8/28	8/29	Ukraine		261.00		(3)				261.00
	8/29	8/31	Estonia		420.00		(3)				420.00
	8/31	9/1	Iceland		422.00		(3)				422.00
Hon. Jeb Hensarling	9/1	9/2	Egypt		288.97						288.97
	9/2	9/3	Qatar		326.98		(3)				326.98
	9/3	9/6	Kuwait		1,182.00		6,638.66				7,820.66
Hon. Stevan Pearce	9/23	9/25	Kuwait		788.00		(3)				788.00
	9/25	9/26	Qatar		327.00		(3)				327.00
	9/26	9/27	United Kingdom		335.00		(3)				335.00
Committee total					7,019.95		11,391.94				18,411.89

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

MICHAEL G. OXLEY, Chairman, Nov. 2, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON GOVERNMENT REFORM, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Tom Davis	8/26	8/29	Morocco		890.00						890.00
	8/29	8/31	Cyprus		660.00						660.00
	8/31	9/2	Israel		724.00						724.00
	9/2	9/5	Egypt		874.00						874.00
Michael Turner	8/26	8/29	Morocco		890.00						890.00
	8/29	8/31	Cyprus		660.00						660.00
	8/31	9/2	Israel		724.00						724.00
	9/2	9/5	Egypt		874.00						874.00
Carolyn Maloney	8/26	8/29	Morocco		890.00						890.00
	8/29	8/31	Cyprus		660.00						660.00
	8/31	9/2	Israel		724.00						724.00
	9/2	9/5	Egypt		874.00						874.00
Darrell Issa	8/26	8/29	Morocco		890.00						890.00
	8/29	8/31	Cyprus		660.00						660.00
	8/31	9/2	Israel		724.00						724.00
	9/2	9/5	Egypt		874.00						874.00
Frederick Hill	8/26	8/29	Morocco		890.00						890.00
	8/29	8/31	Cyprus		660.00						660.00
	8/31	9/2	Israel		724.00						724.00
	9/2	9/5	Egypt		874.00						874.00
David Rapallo	8/26	8/29	Morocco		890.00						890.00
	8/29	8/31	Cyprus		660.00						660.00
	8/31	9/2	Israel		724.00						724.00
	9/2	9/5	Egypt		874.00						874.00
Charles Phillips	8/26	8/29	Morocco		890.00						890.00
	8/29	8/31	Cyprus		660.00						660.00
	8/31	9/2	Israel		724.00						724.00
	9/2	9/5	Egypt		874.00						874.00
Darcie Brickner	8/26	8/29	Morocco		890.00						890.00
	8/29	8/31	Cyprus		660.00						660.00
	8/31	9/2	Israel		724.00						724.00
	9/2	9/5	Egypt		874.00						874.00
Lawrence Brady	8/26	8/29	Morocco		890.00						890.00
	8/29	8/31	Cyprus		660.00						660.00
	8/31	9/2	Israel		724.00						724.00
	9/2	9/5	Egypt		874.00						874.00
Ronald Martinson	8/26	8/29	Morocco		890.00						890.00
	8/29	8/31	Cyprus		660.00						660.00
	8/31	9/2	Israel		724.00						724.00
	9/2	9/5	Egypt		874.00						874.00
Gabriele Forsyth	8/26	8/29	Morocco		890.00						890.00
	8/29	8/31	Cyprus		660.00						660.00
	8/31	9/2	Israel		724.00						724.00
	9/2	9/5	Egypt		874.00						874.00
John Cuaderes	8/26	8/29	Morocco		890.00						890.00
	8/29	8/31	Cyprus		660.00						660.00
	8/31	9/2	Israel		724.00						724.00
	9/2	9/5	Egypt		874.00						874.00
Lawrence Halloran	7/29	7/30	Kuwait		394.00		7,763.23				8,157.23
	8/2	8/3	Kuwait		394.00						394.00
Jeffrey Baran	7/29	7/30	Kuwait		394.00		7,763.23				8,157.23
	8/2	8/3	Kuwait		394.00						394.00
Nicholas Coleman	7/5	7/8	Ecuador		666.00		2,123.65				2,789.65
Henry Waxman	8/15	8/19	Israel		1,178.00						1,178.00
Christopher Davis	7/22	7/31	Brazil		1,291.68		7,813.65				9,105.33
Naomi Seller	7/22	7/31	Brazil		1,291.68		7,813.65				9,105.33
R. Nicholas Palarino	7/29	7/30	Kuwait		394.00		7,763.23				8,157.23
	8/2	8/3	Kuwait		394.00						394.00
Mark Souder	7/23	7/24	Libya		394.00						394.00
	7/24	7/25	Cyprus		257.00						257.00
	7/25	7/26	United Kingdom		186.00						186.00
Tom Costa	8/24	8/28	Thailand		928.00		7,949.64				8,877.64
	8/28	9/1	Germany		1,477.00						1,477.00
Lawrence Halloran	8/24	8/28	Thailand		928.00		7,949.64				8,877.64
	8/28	9/1	Germany		1,477.00						1,477.00
Andrew Su	8/28	9/1	Germany		1,477.00		5,877.74				7,354.74
Stephen Lynch	8/10	8/12	Kuwait		788.00						788.00
	8/12	8/13	Germany		210.00						210.00
Christopher Shays	7/23	7/25	Jordan		758.00		6,191.57				6,949.57
Committee total					60,732.36		90,786.25				151,518.61

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

TOM DAVIS, Chairman, Oct. 28, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON HOMELAND SECURITY, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Peter T. King	7/31	8/2	Austria		636.00		(3)				2,259.00
	8/2	8/3	Jordan		255.00		(3)				
	8/3	8/5	Israel		772.00		(3)				
	8/5	8/7	Morocco		596.00		(3)				
Hon. Michael McCaul	7/31	8/2	Austria		636.00		(3)				2,259.00
	8/2	8/3	Jordan		255.00		(3)				
	8/3	8/5	Israel		772.00		(3)				
	8/5	8/7	Morocco		596.00		(3)				
Hon. Charlie Dent	7/31	8/2	Austria		636.00		(3)				2,259.00
	8/2	8/3	Jordan		255.00		(3)				
	8/3	8/5	Israel		772.00		(3)				
	8/5	8/7	Morocco		596.00		(3)				
Hon. Donna Christensen	7/31	8/2	Austria		636.00		(3)				2,259.00
	8/2	8/3	Jordan		255.00		(3)				
	8/3	8/5	Israel		772.00		(3)				
	8/5	8/7	Morocco		596.00		(3)				
Cong. Carolyn McCarthy	7/31	8/2	Austria		636.00		(3)				2,259.00
	8/2	8/3	Jordan		255.00		(3)				
	8/3	8/5	Israel		772.00		(3)				
Mr. Steve DeVine	7/31	8/2	Austria		636.00		(3)				2,259.00
	8/2	8/3	Jordan		255.00		(3)				
	8/3	8/5	Israel		772.00		(3)				
	8/5	8/7	Morocco		596.00		(3)				
Dr. Josh Weerasinghe	7/31	8/2	Austria		636.00		(3)				2,259.00
	8/2	8/3	Jordan		255.00		(3)				
	8/3	8/5	Israel		772.00		(3)				
	8/5	8/7	Morocco		596.00		(3)				
Ms. Margaret Peterlin	7/31	8/2	Austria		636.00		(3)				2,259.00
	8/2	8/3	Jordan		255.00		(3)				
	8/3	8/5	Israel		772.00		(3)				
	8/5	8/7	Morocco		596.00		(3)				
Ms. Sue Ramanathan	7/31	8/2	Austria		636.00		(3)				2,259.00
	8/2	8/3	Jordan		255.00		(3)				
	8/3	8/5	Israel		772.00		(3)				
	8/5	8/7	Morocco		596.00		(3)				
Tom Finan	7/31	8/2	Austria		636.00		(3)				2,259.00
	8/2	8/3	Jordan		255.00		(3)				
	8/3	8/5	Israel		772.00		(3)				
	8/5	8/7	Morocco		596.00		(3)				
Thomas DiLenge	8/5	8/7	Morocco		596.00		908.60				1,504.60
Michael Geffroy	8/23	8/25	Japan		754.00		8,292.39				11,148.39
	8/26	8/27	Shanghai, China		740.00						
	8/27	8/29	Hong Kong, China		1,362.00						
Mandy Bowers	8/23	8/25	Japan		754.00		8,292.39				11,148.39
	8/26	8/27	Shanghai, China		740.00						
	8/27	8/29	Hong Kong, China		1,362.00						
Allen Thompson	8/23	8/25	Japan		754.00		8,292.39				11,148.39
	8/26	8/27	Shanghai, China		740.00						
	8/27	8/29	Hong Kong, China		1,362.00						
Committee total					31,754.00		25,785.77				57,539.77

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

PETER T. KING, Chairman, Nov. 1, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Candace Abbey	8/26	8/28	Greece		855.00						855.00
	8/28	8/29	Ukraine		261.00						261.00
	8/29	8/31	Estonia		420.00						420.00
	8/31	9/1	Iceland		422.00		(3)				422.00
Melissa Adamson	8/26	8/28	Greece		855.00						855.00
	8/28	8/29	Ukraine		261.00						261.00
	8/29	8/31	Estonia		420.00						420.00
	8/31	9/1	Iceland		422.00		(3)				422.00
Lara Alameh	7/6	7/10	Lebanon		786.00		9,216.33				10,002.33
Douglas Anderson	8/25	8/26	China		291.00						291.00
	8/26	8/28	Mongolia		500.00						500.00
	8/28	8/30	China		582.00						582.00
	8/30	9/3	North Korea		1,284.00						1,284.00
	9/3	9/4	South Korea		299.00						299.00
	9/4	9/5	Japan		348.00						348.00
	8/25	9/5	(4)				6,266.07				6,266.07
Hon. Dan Burton	9/18	9/20	Nicaragua		352.00		1,464.15				1,816.15
Hon. Steve Chabot	8/26	8/29	Morocco		790.00						790.00
	8/29	8/31	Cyprus		610.00						610.00
	8/31	9/2	Israel		649.00						649.00
	9/2	9/5	Egypt		774.00		(3)				774.00
Joan Condon	7/31	8/1	United Kingdom		394.00						394.00
	8/1	8/4	Uganda		692.00						692.00
	8/4	8/7	DRC		781.00						781.00
	8/7	8/10	Rwanda		531.00						531.00
	8/10	8/11	Kenya		230.00						230.00
	7/31	8/11	(4)				7,211.25				7,211.25
Raymond Copson	7/3	7/8	Kenya		1,490.00		7,211.25				8,701.25
Frank Cotter	8/26	8/28	Greece		855.00						855.00
	8/28	8/29	Ukraine		261.00						261.00
	8/29	8/31	Estonia		420.00						420.00
	8/31	9/1	Iceland		422.00		(3)				422.00
Ted Dagne	8/1	8/3	Eritrea		538.00						538.00
	8/3	8/4	Djibouti		328.00						328.00
	8/4	8/8	Kenya		1,120.00						1,120.00
	8/8	8/10	Ethiopia		698.00						698.00
	8/1	8/10	(4)				8,500.81				8,500.81
Hon. William Delahunt	8/31	9/2	Venezuela		634.00		2,720.00		(5) 762.36		4,116.36

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Daniel Getz	7/4	7/8	Ecuador		888.00		1,947.15				2,835.15
	8/26	8/31	Argentina		1,030.00						1,030.00
	8/31	9/5	Brazil		1,173.00						1,173.00
	8/26	9/5	(4)				6,815.10				6,815.10
James Farr	8/26	8/28	Greece		855.00						855.00
	8/28	8/29	Ukraine		261.00						261.00
	8/29	8/31	Estonia		420.00						420.00
	8/31	9/1	Iceland		422.00		(3)				422.00
Hon. Jeff Flake	8/26	8/28	Greece		855.00						855.00
	8/28	8/29	Ukraine		261.00						261.00
	8/29	8/31	Estonia		420.00						420.00
	8/31	9/1	Iceland		422.00		(3)				422.00
Dennis Halpin	8/10	8/19	China		1,996.00		5,683.77		1,950.00		9,629.77
Alice Horstman	8/26	8/28	Greece		855.00						855.00
	8/28	8/29	Ukraine		261.00						261.00
	8/29	8/31	Estonia		420.00						420.00
	8/31	9/1	Iceland		422.00		(3)				422.00
Hon. Henry Hyde	8/26	8/28	Greece		855.00						855.00
	8/28	8/29	Ukraine		261.00						261.00
	8/29	8/31	Estonia		420.00						420.00
	8/31	9/1	Iceland		422.00		(3)				422.00
David Killion	7/29	8/6	China		536.00						536.00
	8/6	8/10	India		1,180.00						1,180.00
	7/29	8/10	(4)				4,810.37				4,810.37
Julie Kim	6/26	7/2	Macedonia		1,510.50		5,792.27				7,302.77
Kay King	8/26	8/28	Greece		855.00						855.00
	8/28	8/29	Ukraine		261.00						261.00
	8/29	8/31	Estonia		420.00		(3)				420.00
	8/31	9/6	Germany		1,203.00		3,782.86				4,985.86
Robert King	8/26	8/28	Greece		370.00						370.00
	8/28	8/29	Ukraine		86.00						86.00
	8/29	8/31	Estonia		187.00		(3)				187.00
	8/31	9/6	Germany		2,400.00		3,782.86				6,182.86
Sheila Klein	8/26	8/28	Greece		855.00						855.00
	8/28	8/29	Ukraine		261.00						261.00
	8/29	8/31	Estonia		420.00						420.00
	8/31	9/1	Iceland		422.00		(3)				422.00
Hon. Thomas Lantos	7/1	7/5	Italy		1,517.28		4,687.31				6,204.59
	8/30	9/3	North Korea		1,284.00						1,284.00
	9/3	9/5	China		873.00						873.00
	8/30	9/5	(4)				6,588.27				6,588.27
Hon. James Leach	8/25	8/26	China		291.00						291.00
	8/26	8/28	Mongolia		500.00						500.00
	8/28	8/30	China		582.00						582.00
	8/30	9/3	North Korea		1,284.00						1,284.00
	9/3	9/4	South Korea		358.00						358.00
	9/4	9/5	Japan		408.00						408.00
	8/25	9/5	(4)				7,274.07				7,274.07
John Lis	6/26	7/2	Macedonia		1,510.50						1,510.50
	7/2	7/8	Kenya		1,610.00						1,610.00
	6/26	7/8	(4)				9,803.78				9,803.78
	8/23	8/27	East Timor		1,428.00						1,428.00
	8/27	9/2	Indonesia		1,596.00				[5] 3,482.37		5,078.37
	8/23	9/2	(4)				7,525.15				7,525.15
Noelle LuSane	8/1	8/3	Eritrea		538.00						538.00
	8/3	8/4	Djibouti		328.00						328.00
	8/4	8/8	Kenya		1,120.00						1,120.00
	8/8	8/10	Ethiopia		698.00						698.00
	8/1	8/10	(4)				8,222.81				8,222.81
Hon. Betty McCollum	8/24	9/3	Tanzania		2,674.00		9,520.91				12,194.91
James McCormick	8/25	8/26	China		291.00						291.00
	8/26	8/28	Mingolia		400.00						400.00
	8/28	8/29	China		291.00						291.00
	8/25	8/29	(4)				7,981.07				7,981.07
Hon. Thaddeus McCotter	9/10	9/13	Israel		772.00		5,692.20				6,464.20
Matthew McLean	7/5	7/10	Ecuador		1,110.00		2,180.15				3,290.15
	8/21	8/24	Georgia		585.00				[5] 1,027.74		1,612.74
	8/24	8/26	Armenia		600.00				[5] 1,106.70		1,706.70
	8/26	8/31	Ghana		408.00						408.00
	8/31	9/2	Benin		399.00						399.00
	8/21	9/2	(4)				12,089.64				12,089.64
John Mackey	7/4	7/6	Colombia		368.00						368.00
	7/6	7/9	Ecuador		666.00						666.00
	7/4	7/9	(4)				2,179.15				2,179.15
	8/8	8/14	Colombia		1,404.00		1,364.15				2,768.15
	8/29	9/3	Austria		1,202.50		4,861.57				6,064.07
Alan Makovsky	9/1	9/2	Egypt		288.97						288.97
	9/2	9/3	Qatar		326.98						326.98
	9/3	9/6	Kuwait		1,182.00						1,182.00
	9/1	9/6	(4)				6,638.00				6,638.00
Pearl-Alice Marsh	7/2	7/6	Zimbabwe		360.00						360.00
	7/6	7/9	South Africa		618.00						618.00
	7/2	7/9	(4)				10,637.24				10,637.24
Hon. Gregory Meeks	8/1	8/7	Colombia		1,458.00		1,881.65				3,339.65
	9/28	9/29	Costa Rica		221.00		1,925.65				2,146.65
Francis Miko	8/23	8/27	East Timor		1,428.00						1,428.00
	8/27	9/2	Indonesia		1,596.00						1,596.00
	8/23	9/2	(4)				7,466.15				7,466.15
Thomas Mooney	8/26	8/28	Greece		855.00						855.00
	8/28	8/29	Ukraine		261.00						261.00
	8/29	8/31	Estonia		420.00						420.00
	8/31	9/1	Iceland		422.00		(3)				422.00
Paul Oostburg-Sanz	8/21	8/24	Georgia		590.00						590.00
	8/24	8/27	Armenia		460.00						460.00
	8/27	8/31	Ghana		87.00						87.00
	8/31	9/2	Benin		279.00						279.00
	8/21	9/2	(4)				14,499.46				14,499.46
Hon. Donald Payne	8/1	8/3	Eritrea		538.00						538.00
	8/3	8/4	Djibouti		328.00						328.00
	8/4	8/8	Kenya		1,120.00						1,120.00
	8/8	8/10	Ethiopia		698.00						698.00
	8/1	8/10	(4)		9,833.52						9,833.52
Hon. Mike Pence	9/1	9/2	Egypt		288.97						288.97
	9/2	9/3	Qatar		326.98						326.98
	9/3	9/6	Kuwait		1,182.00						1,182.00

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERNATIONAL RELATIONS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
	9/1	9/6	(4)				6,638.66				6,638.66
Walker Roberts	8/25	8/26	China		291.00						291.00
	8/26	8/28	Mongolia		500.00						500.00
	8/28	8/30	China		582.00						582.00
	8/30	9/3	North Korea		1,284.00						1,284.00
	8/25	9/3	(4)				5,786.39				5,786.39
William Robinson	7/3	7/8	Kenya		1,490.00		7,190.00				8,680.00
Robin Roizman	7/5	7/10	Ecuador		863.50		2,108.15				2,971.65
	8/26	8/31	Argentina		1,034.00						1,034.00
	8/31	9/4	Brazil		1,174.00						1,174.00
	8/26	9/4	(4)				7,296.10				7,296.10
Jonathan Scharfen	9/1	9/2	Egypt		288.97						288.97
	9/2	9/3	Qatar		326.98						326.98
	9/3	9/6	Kuwait		1,182.00						1,182.00
	9/1	9/6	(4)				6,653.66				6,653.66
Sue Schiesser	8/26	8/28	Greece		855.00						855.00
	8/28	8/29	Ukraine		261.00						261.00
	8/29	8/31	Estonia		420.00						420.00
	8/31	9/1	Iceland		422.00		(3)				422.00
Doug Seay	8/26	8/28	Greece		855.00						855.00
	8/28	8/29	Ukraine		261.00						261.00
	8/29	8/31	Estonia		420.00						420.00
	8/31	9/1	Iceland		422.00		(3)				422.00
Thomas Sheehy	7/30	8/3	Japan		1,632.00						1,632.00
	8/3	8/6	South Korea		1,074.00						1,074.00
	7/30	8/6	(4)				7,806.08				7,806.08
Gregory Simpkins	7/2	7/6	Zimbabwe		372.00						372.00
	7/6	7/9	South Africa		627.00						627.00
	7/2	7/9	(4)				10,637.24				10,637.24
	8/14	8/17	Ethiopia		698.00						698.00
	8/17	8/20	Sudan		814.00						814.00
	8/14	8/20	(4)				7,600.96				7,600.96
Hon. Christopher Smith	7/8	7/10	El Salvador		367.00		1,684.15				2,051.15
	8/14	8/17	Ethiopia		698.00						698.00
	8/17	8/20	Sudan		814.00						814.00
	8/14	8/20	(4)				7,600.96				7,600.96
Linda Solomon	8/26	8/28	Greece		855.00						855.00
	8/28	8/29	Ukraine		261.00						261.00
	8/29	8/31	Estonia		420.00						420.00
	8/31	9/1	Iceland		422.00		(3)				422.00
Cliff Stammerman	8/31	9/4	Brazil		928.00		7,037.00				7,965.00
Sam Stratman	8/21	8/24	Georgia		595.00						595.00
	8/24	8/26	Armenia		600.00						600.00
	8/26	8/31	Ghana		408.00						408.00
	8/31	9/2	Benin		399.00						399.00
	8/21	9/2	(4)				12,089.64				12,089.64
Larry Storrs	8/26	8/31	Argentina		1,034.00						1,034.00
	8/31	9/5	Brazil		1,174.00						1,174.00
	8/26	9/5	(4)				5,990.10				5,990.10
Mark Sullivan	8/26	8/31	Argentina		1,034.00						1,034.00
	8/31	9/5	Brazil		1,174.00						1,174.00
	8/26	9/5	(4)				6,703.11				6,703.11
Bruce Vaughn	8/23	8/27	East Timor		1,428.00						1,428.00
	8/27	9/2	Indonesia		1,596.00						1,596.00
	8/23	9/2	(4)				7,525.15				7,525.15
Mark Walker	7/4	7/9	Ecuador		1,110.00		2,037.15				3,147.15
	8/26	8/31	Argentina		1,030.00						1,030.00
	8/31	9/5	Brazil		1,173.00						1,173.00
	8/26	9/5	(4)				6,853.10				6,853.10
	9/18	9/20	Nicaragua		402.00		1,464.15				1,866.15
Lynne Weil	8/30	9/3	North Korea		1,284.00						1,284.00
	9/3	9/5	China		873.00						873.00
	8/30	9/5	(4)				6,430.27				6,430.27
Hon. Robert Wexler	8/1	8/4	Indonesia		1,064.00		11,357.72				12,421.72
Greg Wierzynski	8/28	9/1	Poland		1,324.00		5,087.03				6,411.03
Judy Wolverton	8/26	8/28	Greece		855.00						855.00
	8/28	8/29	Ukraine		261.00						261.00
	8/29	8/31	Estonia		420.00						420.00
	8/31	9/1	Iceland		422.00						422.00
Peter Yeo	8/30	9/3	North Korea		1,284.00						1,284.00
	9/3	9/5	China		873.00						873.00
	8/30	9/5	(4)				5,167.26				5,167.26
Committee total					141,456.65		356,966.65		[5] 8,329.17		506,754.47

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.
[4] Roundtrip airfare.
[5] Indicates delegation costs.

HENRY HYDE, Chairman, Oct. 27, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON RESOURCES, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]

HOUSE COMMITTEES

Please Note: If there were no expenditures during the calendar quarter noted above, please check the box at right to so indicate and return. ☒

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

RICHARD W. POMBO, Chairman, Oct. 31, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON SMALL BUSINESS, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 1 AND JUNE 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Rich Beutel	7/1	7/12	China				5,167.02		1,537.76		6,704.78
Tom Bezas	7/1	7/12	China				5,167.02		1,549.76		6,716.78
Sean Deverey	7/1	7/12	China				5,167.02		1,537.76		6,704.78
Ken Shaw	7/1	7/12	China				5,167.02		1,550.76		6,717.78
Chris Szymanski	7/1	7/12	China				5,167.02		1,550.76		6,717.78
Matthew Szymanski	7/1	7/12	China				5,167.02		1,550.76		6,717.78
Rich Beutel	7/29	8/12	China				(3)		2,141,76		2,141.24
Tom Bezas	7/29	8/7	China				6,894.42		2,292.53		9,186.95
Sean Deverey	7/29	8/10	China				(3)		2,141.24		2,141.24
Adam Magary	7/29	8/12	China				386.00		1,962.67		2,348.67
Hon. Don Manzullo	7/29	8/12	China				(3)		2,431.68		2,431.68
Ken Shaw	7/29	8/2	China				4,897.25		292.00		5,189.25
Chris Szymanski	7/29	8/2	China				6,388.92		1,999.00		8,387.92
Matthew Szymanski	7/29	8/12	China				386.00		1,962.67		2,348.67
Bradley Knox	8/16	8/16	Ireland (refueling)				(3)				
	8/16	8/18	Iraq/Kuwait				(3)		484.05		484.05
	8/19	8/19	Germany				(3)		83.95		83.95
Hon. Steven King	8/16	8/16	Ireland (refueling)				(3)				
Will send addendum	8/16	8/18	Iraq/Kuwait				(3)				
Will send addendum	8/19	8/19	Germany				(3)				
Hon. Ed Case	9/1	9/2	Egypt				(3)		175.00		175.00
	9/2	9/3	Qatar				(3)		210.00		210.00
	9/3	9/6	Kuwait/Iraq				(3)		810.00		810.00
Nathan Berkeley	8/29	9/1	Finland				413.79		488.50		5,058.29
	9/1	9/3	Sweden						456.00		
Bradley Knox	8/29	9/3	Finland				413.79		488.50		5,058.29
	9/1	9/3	Sweden						456.00		
Committee total											86,334.88

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

DONALD A. MANZULLO, Chairman, Nov. 7, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Hon. Lynn Westmoreland	7/7	7/10	Kuwait		394.00						394.00
	7/10	7/10	France		172.00		(3)				172.00
Nick Rahall	7/23	7/24	Libya		394.00						394.00
	7/24	7/25	Cyprus		257.00						257.00
	7/25	7/26	UK		186.00		(3)				186.00
Hon. Tim Holden	8/10	8/12	Kuwait		788.00						788.00
	8/12	8/13	Germany		210.00		(3)				210.00
Hon. Charles Dent	8/16	8/18	Kuwait		484.00						484.00
	8/18	8/19	Germany		83.95		(3)				83.95
Hon. Lincoln Davis	9/1	9/2	Egypt		288.97						288.97
	9/2	9/3	Qatar		326.98						326.98
	9/3	9/6	Kuwait		1,182.00		6,658.66				7,840.66
Hon. John Mica	8/27	8/29	UK		1,086.00						1,086.00
	8/29	9/1	Croatia		1,050.00						1,050.00
	9/1	9/5	Slovakia		1,248.00						1,248.00
	9/5	9/6	UK		543.00		1,999.26				2,542.26
Hon. E. Bernice Johnson	8/29	9/1	Croatia		1,050.00		8,566.25				9,616.25
Jim Coon	8/30	9/1	Croatia		700.00						700.00
	9/1	9/3	Slovakia		624.00		6,663.28				7,287.28
Hon. Michael Capuano	8/26	8/29	Morocco		890.00						890.00
	8/29	8/31	Cyprus		660.00						660.00
	8/31	9/2	Israel		724.00						724.00
	9/2	9/5	Egypt		874.00		1,964.86				2,838.86
Committee total					14,215.90		25,852.31				40,068.21

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

DON YOUNG, Chairman, Oct. 31, 2005.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Riley Perdue	7/4	7/6	Europe		288.00						
	7/7	7/9	Europe		412.00						
Commercial Airfare							6,069.37				6,769.37
Donald Stone	7/4	7/6	Europe		288.00						
	7/7	7/9	Europe		412.00		6,069.37				6,769.37
Commercial Airfare											
Christine York	7/4	7/6	Europe		288.00						
	7/7	7/9	Europe		412.00						
Commercial Airfare							6,069.37				6,769.37
Michele Lang	7/6	7/10	Asia		1,744.00						
Commercial Airfare							5,056.55				6,800.55
Hon. Peter Hoekstra	7/14	7/16	Europe		431.00						
Commercial Airfare							6,752.51				7,183.51
Christopher Donesa	7/14	7/16	Europe		431.00						
Commercial Airfare							6,196.51				6,627.51
Robert Myhill	7/31	8/2	Europe		808.00						
	8/2	8/5	Europe		437.88						
Commercial Airfare							6,797.09				8,042.17

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, PERMANENT SELECT COMMITTEE ON INTELLIGENCE, HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JULY 1 AND SEPT. 30, 2005—Continued

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Riley Perdue	8/11	8/14	Asia		696.00						
	8/15	8/17	Asia		1,189.87						
Commercial Airfare							8,292.22				10,178.09
Hon. Peter Hoekstra	8/18	8/19	Europe		181.00						
	8/19	8/22	Europe		578.00						
	8/22	8/24	Middle East		762.00						
Commercial Airfare							7,581.14				9,102.14
Hon. Heather Wilson	8/18	8/19	Europe		181.00						
	8/19	8/22	Europe		578.00						
	8/22	8/23	Middle East		254.00						
Commercial Airfare							7,137.28				8,150.28
Michael Meermans	8/18	8/19	Europe		181.00						
	8/19	8/22	Europe		578.00						
	8/22	8/24	Middle East		762.00						
Commercial Airfare							7,543.20				9,064.20
Christopher Donesa	8/18	8/19	Europe		181.00						
	8/19	8/22	Europe		578.00						
	8/22	8/24	Middle East		762.00						
Commercial Airfare							7,566.20				9,087.20
Jamal Ware	8/18	8/19	Europe		181.00						
	8/19	8/22	Europe		578.00						
	8/22	8/23	Middle East		254.00						
Commercial Airfare							7,543.20				8,556.20
Michael Ennis	8/18	8/19	Europe		181.00						
	8/19	8/22	Europe		578.00						
	8/22	8/24	Middle East		762.00						
Commercial Airfare							7,563.20				8,576.20
Hon. Michael Rogers	8/22	8/23	Europe		444.00						
	8/23	8/27	Middle East		1,166.00						
Commercial Airfare							7,875.07				9,485.07
Robert Myhill	8/22	8/23	Europe		444.00						
	8/23	8/27	Middle East		1,166.00						
Commercial Airfare							7,875.07				9,485.07
Bruce Allen	8/21	8/24	Africa		997.00						
	8/24	8/27	Africa		532.00						
	8/27	8/29	Africa		560.00						
	8/29	8/30	Africa		284.00						
							8,648.30				11,021.30
Lawrence Hanauer	8/21	8/24	Africa		997.00						
	8/24	8/27	Africa		532.00						
	8/27	8/29	Africa		560.00						
	8/29	8/30	Africa		284.00						
Commercial Airfare							8,628.30				11,001.30
Wyndee Parker	8/21	8/24	Africa		997.00						
	8/24	8/27	Africa		532.00						
	8/27	8/28	Africa		280.00						
Commercial Airfare							4,736.27				
Commercial Airfare							1,973.15				8,518.42
David Buckley	8/21	8/24	Africa		997.00						
	8/24	8/27	Africa		532.00						
	8/27	8/28	Africa		280.00						
Commercial Airfare							11,594.55				13,403.55
Elizabeth Larson	8/21	8/24	Europe		888.00						
Commercial Airfare							3,659.78				4,547.78
Carolyn Lyons	8/21	8/24	Europe		888.00						
Commercial Airfare							3,659.78				4,547.78
Hon. William Thornberry	8/22	8/24	Europe		578.00						
	8/24	8/26	Europe		936.00						
Commercial Airfare							6,977.16				8,491.16
Hon. Robert Crammer	8/22	8/24	Europe		578.00						
	8/24	8/26	Europe		936.00						
Commercial Airfare							6,650.16				8,164.16
Elizabeth Larson	8/24	8/26	Europe		936.00						
Carolyn Lyons	8/21	8/24	Europe		936.00						
Riley Perdue	8/22	8/24	Europe		578.00						
	8/24	8/26	Europe		936.00						
Commercial Airfare							7,193.16				8,707.16
Christine York	8/22	8/24	Europe		578.00						
	8/24	8/26	Europe		936.00						
Commercial Airfare							7,193.16				8,707.16
Elizabeth Larson	8/26	8/29	Europe		344.00						
	8/29	9/04	Europe		1,986.00						
Commercial Airfare							4,771.94				1,101.94
Carolyn Lyons	8/26	8/29	Europe		344.00						
Commercial Airfare							6,675.78				1,019.78
Hon. Anna Eshoo	8/29	9/4	Middle East		1,986.00						
	9/4	9/6	Europe		888.00						
Commercial Airfare							5,813.90				8,687.90
Wyndee Parker	8/29	9/4	Middle East		1,986.00						
	9/4	9/6	Europe		888.00						
Commercial Airfare							5,856.21				8,730.21
Hon. Jane Harman	9/27	9/29	Middle East		688.00						
	9/29	9/30	Middle East		204.00						
Commercial Airfare							7,697.97				8,589.97
Jeremy Bash	9/27	9/29	Middle East		688.00						
	9/29	9/30	Middle East		204.00						
Commercial Airfare							7,697.97				8,589.97
David Buckley	9/27	9/29	Middle East		688.00						
	9/29	9/30	Middle East		204.00						
Commercial Airfare							7,697.97				8,589.97
Kelly Gaffney	8/31	9/1	Australia		688.00						
	9/2	9/6	Asia		408.00						
	9/6	9/7	Asia		716.00		(3)				1,812.00
Michael Delaney	8/31	9/1	Australia		688.00						
	9/2	9/6	Asia		408.00						
	9/6	9/7	Asia		716.00		(3)				1,812.00
Committee totals											268,561.81

[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Military air transportation.

PETER HOEKSTRA, Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

5266. A letter from the Acting Assistant Secretary for Legislative Affairs, Department of State, transmitting a report on U.S. military personnel and U.S. individual civilians retained as contractors involved in supporting Plan Colombia, pursuant to Public Law 106–246, section 3204 (f) (114 Stat. 577); to the Committee on Armed Services.

5267. A letter from the Under Secretary for Personnel and Readiness, Department of Defense, transmitting a letter on the approved retirement of General Robert H. Foglesong, United States Air Force, and his advancement to the grade of general on the retired list; to the Committee on Armed Services.

5268. A letter from the Under Secretary for Personnel and Readiness, Department of Defense, transmitting authorization of the enclosed list of officers to wear the insignia of the grade of brigadier general accordance with title 10, United States Code, section 777; to the Committee on Armed Services.

5269. A letter from the Secretary, Department of Health and Human Services, transmitting written notification of the determination that a public health emergency exists and has existed in the state of Texas and Louisiana since September 20, 2005, pursuant to 42 U.S.C. 247d(a) Public Law 107–188, section 144(a); to the Committee on Energy and Commerce.

5270. A letter from the Deputy Assistant Administrator, Office of Diversion Control, DEA, Department of Justice, transmitting the Department's final rule — Schedules of Controlled Substances; Placement of Pregabalin Into Schedule V [Docket No. DEA-267F] received September 2, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Energy and Commerce.

5271. A letter from the Senior Vice President, Policy & Government Affairs, Verizon Wireless, transmitting a letter from Denny Strigl, CEO of Verizon Wireless, provided to Federal Comunications Commission Chairman Kevin Martin regarding the company's efforts to serve customers impacted by Hurricane Katrina; to the Committee on Energy and Commerce.

5272. A letter from the Office of Independent Counsel, transmitting the annual report on Audit and Investigative Activities, pursuant to 28 U.S.C. 595(a)(2); to the Committee on Government Reform.

5273. A letter from the Executive Director, Federal Reiterment Thrift Investment Board, transmitting a list of the five audit reports issued during fiscal year 2005 regarding the Agency and the Thrift Savings Plan; to the Committee on Government Reform.

5274. A letter from the General Counsel, Institute of Museum and Library Services, transmitting a report pursuant to the Federal Vacancies Reform Act of 1998; to the Committee on Government Reform.

5275. A letter from the Office of the District of Columbia Auditor, transmitting a report entitled, ''Letter to Chairman Cropp and Members of the Council of the District of Columbia on the Auditor's Concerns Regarding Matters that May Adversely Affect the Financial Operations of the Washington Convention Center.''; to the Committee on Government Reform.

5276. A letter from the Office of the Special Counsel, transmitting the fiscal year 2005 reports required by the Federal Managers' Financial Integrity Act and the Inspector General Act, pursuant to 31 U.S.C. 3512(c)(3); to the Committee on Government Reform.

5277. A letter from the Acting Deputy Secretary, Department of Defense, transmitting the Department's Seventeenth Report of the Federal Absentee Voting Act; to the Committee on House Administration.

5278. A letter from the Acting Inspector General, House of Representatives, transmitting the final report on the U.S. House of Representatives Child Care Center; to the Committee on House Administration.

5279. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Sabine-Neches Canal to Sabine River, Orange, TX [COTP Port Arthur-05-001] (RIN: 1625-AA00) received September 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5280. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Napa River, California [COTP San Francisco Bay 05-001] (RIN: 1625-AA00) received September 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5281. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Moving Safety Zone — Motor Vessel ZHEN HUA; San Francisco Bay, California [COTP San Francisco Bay 05-002] (RIN: 1625-AA00) received September 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5282. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Security Zones for designated vessels; Savannah COTP Zone [COTP Savannah 04-065] (RIN: 1625-AA87) received September 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5283. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Savannah River, Savannah, GA [COTP Savannah-05-011] (RIN: 1625-AA00) received September 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5284. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Missouri River Mile Marker 731.5 to Mile Marker 731.9, South Sioux City, 0NE [COTP St. Louis-04-047] (RIN: 1625-AA00) received September 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5285. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Upper Mississippi River Mile Marker 203.0 to Mile Marker 205.0, Alton, IL [COTP St. Louis-05-002] (RIN: 1625-AA00) received September 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5286. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Pensacola Caucus Channel and Pensacola Bay Channel, Pensacola, FL [COTP Mobile-04-060] (RIN: 1625-AA00) received September 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5287. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Bayou Casotte Ship Channel, Horn Island Ship Channel, Pascagoula, MS [COTP Mobile-04-062] (RIN: 1625-AA00) received September 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5288. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Saftey Zone; Gulf Intracoastal Waterway Mile 222 to Mile 225, Destin, FL [COTP Mobile-04-063] (RIN: 1625-AA00) received September 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5289. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Lower Mississippi River, Mile Marker 122.0 to Mile Marker 134.0, Above Head of Passes, Laplace, LA [COTP New Orleans-05-011] (RIN: 1625-AA00) received September 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5290. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Lower Mississippi River, Mile Marker 126.0 to Mile Marker 134.0, Above Head of Passes, Laplace, LA [COTP New Orleans-05-012] (RIN: 1625-AA00) received September 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5291. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Lower Mississippi River, Below Head of Passes, Mile Marker Minus 18.0 to Mile Marker Minus 20.0, in the vicinity of the entrance to Southwest Pass, LA [COTP New Orlenas-05-013] (RIN: 1625-AA00) received September 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5292. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Lower Mississippi River, Mile Marker 177.0 to Mile Marker 180.0, Above Head of Passes, Geismar, LA [COTP New Orleans-05-014] (RIN: 1625-AA00) received September 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5293. A letter from the Acting Chief, Office of Regulations and Administrative Law, USCG, Department of Homeland Security, transmitting the Department's final rule — Safety Zone; Lower Mississippi River, Mile Marker 148.0 to Mile Marker 158.0, Above Head of Passes, Convent, LA [COTP New Orleans-05-015] (RIN: 1625-AA00) received September 8, 2005, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

5294. A letter from the Administrator, Office of Information and Regulatory Affairs, Office of Management and Budget, transmitting the FY 2004 annual report on the Federal participation in the development and use of voluntary consensus standards, pursuant to Public Law 104–113, section 12(d)(3) (110 Stat. 783); to the Committee on Science.

5295. A letter from the Acting President & CEO, Overseas Private Investment Corporation, transmitting the Corporation's annual Management Report for FY 2004, Performance Budget for FY 2006, Performance and

Accountability Report for FY 2004, and Report on Development and U.S. Effects on OPIC's FY 2004 projects and Report on Cooperation with Private Insurers, pursuant to 31 U.S.C. 9106; jointly to the Committees on Government Reform and International Relations.

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. BARTON of Texas: Committee on Energy and Commerce. H.R. 3889. A bill to further regulate and punish illicit conduct relating to methamphetamine, and for other purposes; with amendments (Rept. 109–299 Pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. THOMAS: Committee on Ways and Means. H.R. 4297. A bill to provide for reconciliation pursuant to section 201(b) of the concurrent resolution on the budget for fiscal year 2006; with an amendment (Rept. 109–304). Referred to the Committee of the Whole House on the State of the Union.

[Filed on November 18 (legislative day, November 17), 2005]

Mr. WALSH: Committee of Conference. Conference report on H.R. 2528. A bill making appropriations for military quality of life functions of the Department of Defense, military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2006, and for other purposes. (Rept. 109–305). Ordered to be printed.

Mr. GINGREY: Committee on Rules. House Resolution 563. Resolution waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules (Rept. 109–306). Referred to the House Calendar.

Mr. KNOLLENBERG: Committee of Conference. Conference report on H.R. 3058. A bill making appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and independent agencies for the fiscal year ending September 30, 2006, and for other purposes (Rept. 109–307). Ordered to be printed.

Mr. GINGREY: Committee on Rules. House Resolution 564. Resolution waiving points of order against the conference report to accompany the bill (H.R. 2528) making appropriations for military quality of life functions of the Department of Defense, military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2006, and for other purposes (Rept. 109–308). Referred to the House Calendar.

Mr. LINCOLN DIAZ-BALART of Florida: Committee on Rules. House Resolution 565. Resolution waiving points of order against the conference report to accompany the bill (H.R. 3058) making appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and independent agencies for the fiscal year ending September 30, 2006, and for other purposes (Rept. 109–309). Referred to the House Calendar.

DISCHARGE OF COMMITTEE

Pursuant to clause 2 of rule XII the Committees on International Relations and Transportation and Infrastructure discharged from further consideration. H.R. 3889 referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, public bills and resolutions were introduced and severally referred, as follows:

By Mr. SENSENBRENNER:

H.R. 4356. A bill to amend title 18, United States Code, with respect to fraud in connection with major disaster or emergency funds; to the Committee on the Judiciary.

By Mr. GUTKNECHT (for himself, Mr. SALAZAR, Mr. OBERSTAR, Mr. HOEKSTRA, Mr. EVANS, Mr. KENNEDY of Minnesota, Mr. KLINE, Ms. MCCOLLUM of Minnesota, Ms. HERSETH, Mr. GOODE, Mr. WELDON of Florida, Mr. TIAHRT, Mr. TERRY, Mr. KINGSTON, Mr. TANCREDO, Mr. WAMP, Mr. GERLACH, and Ms. KAPTUR):

H.R. 4357. A bill to amend the Clean Air Act to require all gasoline sold for use in motor vehicles to contain 10 percent renewable fuel in the year 2010 and thereafter, and for other purposes; to the Committee on Energy and Commerce.

By Mr. DEFAZIO (for himself, Mr. HINCHEY, Mrs. MALONEY, Mr. MCNULTY, Mr. KUCINICH, Mr. ALLEN, Mr. GUTIERREZ, Mr. CROWLEY, Ms. LEE, Mr. HOLDEN, Mr. KILDEE, and Mr. SANDERS):

H.R. 4358. A bill to amend the Public Health Service Act to provide for emergency distributions of influenza vaccine; to the Committee on Energy and Commerce.

By Mr. WAMP:

H.R. 4359. A bill to amend section 1111 of the Elementary and Secondary Education Act of 1965 regarding challenging academic content standards for physical education; to the Committee on Education and the Workforce.

By Mr. CULBERSON (for himself, Mr. REYES, Mr. BONILLA, Mr. CUELLAR, Mr. SMITH of Texas, Mr. MCCAUL of Texas, Mr. ADERHOLT, Mr. ALEXANDER, Mr. BISHOP of Utah, Mr. BRADY of Texas, Mr. BROWN of South Carolina, Mr. BURGESS, Mr. BURTON of Indiana, Mr. CARTER, Mr. DEAL of Georgia, Mr. DUNCAN, Mr. GOHMERT, Mr. GOODE, Ms. GRANGER, Mr. HALL, Mr. HAYWORTH, Mr. HUNTER, Mr. SAM JOHNSON of Texas, Mr. JONES of North Carolina, Mr. LEWIS of Kentucky, Mr. MARCHANT, Mr. NEUGEBAUER, Mr. POE, Mr. ROYCE, Mr. SESSIONS, Mr. TANCREDO, and Mr. THORNBERRY):

H.R. 4360. A bill to enforce law and order by establishing a program to authorize, fund, and otherwise assist local Sheriffs' offices in designated counties to provide a second line of defense alongside and in close cooperation with the United States Customs Border Protection (CBP) and Immigration and Customs Enforcement, to conduct law enforcement operations in their counties along the southern international border of the United States, and to prevent lawlessness in border areas; to the Committee on the Judiciary.

By Mr. RAMSTAD (for himself and Mr. TAYLOR of Mississippi):

H.R. 4361. A bill to amend title 38, United States Code, to expand and enhance educational assistance for survivors and dependents of veterans; to the Committee on Veterans' Affairs.

By Mr. ANDREWS:

H.R. 4362. A bill to amend title XIX of the Social Security Act to require the prorating of Medicaid beneficiary contributions in the case of partial coverage of nursing facility services during a month; to the Committee on Energy and Commerce.

By Mr. ANDREWS:

H.R. 4363. A bill to provide grants to enable States to include iris scan information from certain convicted criminals in State criminal records systems, to provide for the use of the information by the National Instant Criminal Background Check System, and to require Federal firearms dealers to obtain iris scan information from prospective firearms purchasers; to the Committee on the Judiciary.

By Mr. BARRETT of South Carolina (for himself and Mr. BROWN of South Carolina):

H.R. 4364. A bill to protect the right of elected and appointed officials to express their religious beliefs through public prayer; to the Committee on the Judiciary.

By Mrs. BONO (for herself, Ms. HOOLEY, Mrs. CUBIN, Ms. HERSETH, Mr. REHBERG, and Ms. KAPTUR):

H.R. 4365. A bill to amend the Agricultural Marketing Act of 1946 to implement mandatory country of origin labeling requirements for meat and produce on September 30, 2006; to the Committee on Agriculture.

By Ms. GINNY BROWN-WAITE of Florida (for herself and Mr. SHAW):

H.R. 4366. A bill to establish a program to provide reinsurance for State natural catastrophe insurance programs to help the United States better prepare for and protect its citizens against the ravages of natural catastrophes, to encourage and promote mitigation and prevention for, and recovery and rebuilding from such catastrophes, and to better assist in the financial recovery from such catastrophes; to the Committee on Financial Services.

By Mrs. CAPPS (for herself, Mr. LATOURETTE, Mr. WAXMAN, and Mrs. LOWEY):

H.R. 4367. A bill to improve the health care system's response to domestic violence, dating violence, sexual assault, and stalking through the training and education of health care providers, developing comprehensive public health responses to violence; to the Committee on Energy and Commerce.

By Mr. FORTUÑO:

H.R. 4368. A bill to designate the facility of the United States Postal Service located at 60 Calle McKinley, West in Mayaguez, Puerto Rico, as the ''Miguel Angel Garcia Mendez Post Office Building''; to the Committee on Government Reform.

By Mr. HYDE:

H.R. 4369. A bill to withhold amounts available for contributions to the regular assessed budget of the United Nations unless certain requirements relating to the transfer and public availability of the complete archive of files of the Independent Inquiry Committee into the Oil-for-Food Program are met; to the Committee on International Relations.

By Mr. INSLEE:

H.R. 4370. A bill to provide incentives to the auto industry to accelerate efforts to develop more energy-efficient vehicles to lessen dependence on oil; to the Committee on Ways and Means, and in addition to the Committee on Energy and 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. LEWIS of Kentucky (for himself and Mr. SHAW):

H.R. 4371. A bill to amend title XVIII of the Social Security Act to increase the per resident payment floor for direct graduate medical education payments under the Medicare Program; to the Committee on Ways and Means, and in addition to the Committee on Energy and 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. LYNCH:

H.R. 4372. A bill to provide for a rail worker emergency training program; to the Committee on Homeland Security, and in addition to the Committee on Transportation and Infrastructure, 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. MARKEY (for himself and Mr. SHAYS):

H.R. 4373. A bill to ensure the safety of passengers aboard aircraft that also carries cargo; to the Committee on Homeland Security.

By Mr. MARKEY (for himself and Mr. SHAYS):

H.R. 4374. A bill to provide for verification of security measures under the Customs-Trade Partnership Against Terrorism (C-TPAT) program and the Free and Secure Trade (FAST) program; to the Committee on Homeland Security.

By Mr. MCNULTY:

H.R. 4375. A bill to provide certain requirements for hydroelectric projects on the Mohawk River in the State of New York; to the Committee on Energy and Commerce.

By Mr. NEAL of Massachusetts:

H.R. 4376. A bill to to authorize the National Park Service to enter into a cooperative agreement with the Commonwealth of Massachusetts on behalf of Springfield Technical Community College, and for other purposes; to the Committee on Resources.

By Mr. OTTER (for himself and Mr. SIMPSON):

H.R. 4377. A bill to extend the time required for construction of a hydroelectric project, and for other purposes; to the Committee on Energy and Commerce.

By Mr. PASCRELL (for himself, Mr. OWENS, Ms. WATERS, and Ms. KILPATRICK of Michigan):

H.R. 4378. A bill to amend the Immigration and Nationality Act to provide greater protections to domestic and foreign workers under the H–1B nonimmigrant worker program; to the Committee on the Judiciary.

By Mr. PAUL:

H.R. 4379. A bill to limit the jurisdiction of the Federal courts, and for other purposes; to the Committee on the Judiciary.

By Mr. POE:

H.R. 4380. A bill to permit the televising of Supreme Court proceedings; to the Committee on the Judiciary.

By Mr. POE (for himself, Ms. GINNY BROWN-WAITE of Florida, and Mr. FOLEY):

H.R. 4381. A bill to amend title 5, United States Code, to permit access to databases maintained by the Federal Emergency Management Agency for purposes of complying with sex offender registry and notification laws, and for other purposes; to the Committee on Government Reform, and in addition to the Committee on Transportation and Infrastructure, 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. PORTER (for himself, Mr. GIBBONS, and Ms. BERKLEY):

H.R. 4382. A bill to provide for the conveyance of certain land in Clark County, Nevada, for use by the Nevada National Guard; to the Committee on Resources.

By Mr. SALAZAR:

H.R. 4383. A bill to establish the Sangre de Cristo National Heritage Area in the State of Colorado, and for other purposes; to the Committee on Resources.

By Mr. SHAYS (for himself and Mr. HINCHEY):

H.R. 4384. A bill to improve the energy efficiency of the United States; to the Committee on Energy and Commerce, and in addition to the Committees on Ways and Means, Resources, and Transportation and Infrastructure, 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. STRICKLAND (for himself, Mr. RYAN of Ohio, and Mr. BROWN of Ohio):

H.R. 4385. A bill to amend the Internal Revenue Code of 1986 to provide that employees of certain companies seeking bankruptcy protection are eligible for the health coverage tax credit, and for other purposes; to the Committee on Ways and Means.

By Mr. STUPAK (for himself, Mr. MCCOTTER, Ms. KILPATRICK of Michigan, Mr. LEVIN, Mr. DINGELL, Mr. ROGERS of Alabama, Mr. UPTON, Mr. CAMP, Mrs. MILLER of Michigan, Mr. HOEKSTRA, Mr. KNOLLENBERG, and Mr. EHLERS):

H.R. 4386. A bill to name the Department of Veterans Affairs medical facility in Iron Mountain, Michigan, as the ''Oscar G. Johnson Department of Veterans Affairs Medical Facility''; to the Committee on Veterans' Affairs.

By Mr. MURTHA:

H.J. Res. 73. A joint resolution to redeploy U. S. Forces from Iraq; to the Committee on International Relations, and in addition to the Committee on Armed 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. DEFAZIO (for himself, Mr. ROHRABACHER, Mr. SANDERS, Mr. BURTON of Indiana, Mr. RYAN of Ohio, Mr. LIPINSKI, Ms. WOOLSEY, Mr. TAYLOR of Mississippi, Mr. MCGOVERN, Mr. BAIRD, Mr. STUPAK, Mr. BROWN of Ohio, Mr. PAYNE, and Mr. KUCINICH):

H. Con. Res. 303. Concurrent resolution urging the United States Trade Representative to take action to ensure that the People's Republic of China complies with its obligations to protect intellectual property rights, and for other purposes; to the Committee on Ways and Means.

By Mr. FITZPATRICK of Pennsylvania (for himself, Mr. UDALL of Colorado, Mr. BLUMENAUER, Mr. GERLACH, and Ms. SCHWARTZ of Pennsylvania):

H. Con. Res. 304. Concurrent resolution expressing support for tax incentives for charitable gifts of conservation easements; to the Committee on Ways and Means.

By Mr. GREEN of Wisconsin (for himself and Mr. RYAN of Wisconsin):

H. Con. Res. 305. Concurrent resolution recognizing the vital importance of hunting as a legitimate tool of wildlife resource management; to the Committee on Resources.

By Mr. PRICE of North Carolina (for himself, Mr. BILIRAKIS, and Mrs. MALONEY):

H. Con. Res. 306. Concurrent resolution encouraging The Former Yugoslav Republic of Macedonia (FYROM) and Greece to continue negotiations to determine a mutually acceptable official name for the FYROM, and for other purposes; to the Committee on International Relations.

By Mr. BURTON of Indiana (for himself, Ms. JACKSON-LEE of Texas, Ms. LINDA T. SÁNCHEZ of California, Mr. POE, Mr. MCCAUL of Texas, and Mr. WELDON of Pennsylvania):

H. Res. 561. A resolution commending the outstanding efforts by members of the United States Armed Forces and civilian employees of the Department of State and the United States Agency for International Development in response to the earthquake in South Asia that occurred on October 8, 2005; to the Committee on International Relations, and in addition to the Committee on Armed 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. BRADLEY of New Hampshire:

H. Res. 562. A resolution reaffirming the position of the Government of the United States that the sanitary and phytosanitary guidelines for vitamin and mineral food supplements adopted by the Codex Alimentarius Commission at its Twenty-eighth Session from July 4-9, 2005, are not binding on the United States; to the Committee on Energy and Commerce.

By Mr. CARDOZA (for himself, Mr. SOUDER, Mr. LARSEN of Washington, Mr. WAMP, Mr. BERRY, Mr. ABERCROMBIE, Mr. THOMPSON of California, Mr. SALAZAR, Mr. HASTINGS of Florida, and Mr. GIBBONS):

H. Res. 566. A resolution expressing the sense of the House of Representatives that the President should seek to convene an international conference in 2006 to develop more effective means to deal with the serious and growing threat of methamphetamine and synthetic drug precursor chemicals; to the Committee on International Relations.

By Ms. HARRIS:

H. Res. 567. A resolution expressing the condolences of the Nation to the victims of the 2005 hurricane season, commending the resiliency of the people of the States of Alabama, Florida, Louisiana, Mississippi, North Carolina, and Texas and committing to stand by them in the relief and recovery effort; to the Committee on Transportation and Infrastructure, and in addition to the Committee on Science, 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. HERSETH:

H. Res. 568. A resolution providing for consideration of the bill (H.R. 3936) to protect consumers from price-gouging of gasoline and other fuels during energy emergencies, and for other purposes; to the Committee on Rules.

By Mr. RYAN of Ohio (for himself and Mr. HUNTER):

H. Res. 569. A resolution honoring and praising the work of the United States-China Economic and Security Review Commission and restating Congress' commitment to the Commission; to the Committee on Ways and Means.

By Mr. WAXMAN:

H. Res. 570. A resolution providing for consideration of the bill (HR 3925) to provide that a Federal public safety position may not be held by any political appointee who does not meet certain minimum requirements; to the Committee on Rules.

ADDITIONAL SPONSORS

Under clause 7 of rule XII, sponsors were added to public bills and resolutions as follows:

H.R. 13: Mr. CONAWAY.
H.R. 65: Mr. KLINE and Mr. MORAN of Kansas.
H.R. 69: Mr. PAYNE.
H.R. 333: Mr. HIGGINS.
H.R. 389: Mr. HOLT.
H.R. 459: Mr. EVANS.
H.R. 501: Mr. CLAY.
H.R. 503: Mr. ANDREWS.
H.R. 676: Mr. LYNCH and Mr. BECERRA.
H.R. 752: Mr. DOYLE and Mr. WEINER.

H.R. 808: Mr. CARDIN, Mr. HIGGINS, Mr. WYNN, Mr. KENNEDY of Rhode Island, Mr. POMEROY, and Mr. LEVIN.
H.R. 844: Mr. WEXLER.
H.R. 864: Mrs. DAVIS of California.
H.R. 916: Mr. FATTAH, Mr. WU, Mr. ANDREWS, Mr. CLYBURN, Mr. WEINER, Mr. EVANS, Mr. CUELLAR, Mr. DENT, and Mr. OWENS.
H.R. 997: Mrs. SCHMIDT.
H.R. 1043: Mr. EVANS.
H.R. 1059: Mr. WEINER and Mr. EVANS.
H.R. 1068: Mr. EDWARDS, Ms. CARSON, and Mr. ROTHMAN.
H.R. 1202: Mr. STUPAK.
H.R. 1234: Mr. LARSON of Connecticut.
H.R. 1287: Mr. HYDE.
H.R. 1303: Mr. LARSON of Connecticut.
H.R. 1306: Mr. MEEK of Florida, Mr. BARROW, Mr. BUTTERFIELD, Mr. CLEAVER, Mr. LINCOLN DIAZ-BALART of Florida, Ms. ESHOO, Ms. BERKLEY, Mr. CONAWAY and Mr. RAHALL.
H.R. 1322: Mr. EMANUEL.
H.R. 1376: Mr. EVANS.
H.R. 1548: Mr. PETERSON of Minnesota and Mr. HOLT.
H.R. 1574: Ms. DEGETTE.
H.R. 1632: Mr. MURPHY.
H.R. 1671: Mr. NEUGEBAUER.
H.R. 1709: Mr. MARKEY and Mr. CARDOZA.
H.R. 1951: Ms. EDDIE BERNICE JOHNSON of Texas, Mr. FORTUÑO, and Mr. LAHOOD.
H.R. 1956: Mr. FRANKS of Arizona.
H.R. 2121: Mr. CANTOR, Mr. SHAYS, Mr. HENSARLING, Mr. KLINE, Mr. RENZI, Mr. REYNOLDS, Mr. CARTER, and Mrs. KELLY.
H.R. 2122: Mrs. CAPPS.
H.R. 2134: Ms. MCKINNEY.
H.R. 2177: Mr. FEENEY.
H.R. 2181: Mr. WELLER.
H.R. 2231: Mrs. CHRISTENSEN and Mr. KUCINICH.
H.R. 2292: Ms. ZOE LOFGREN of California.
H.R. 2323: Mr. DEFAZIO.
H.R. 2429: Mr. ETHERIDGE.
H.R. 2470: Mr. HOSTETTLER, Mr. CALVERT, Mr. TERRY, Mr. SULLIVAN, Mr. HERGER, Mr. HAYES, Mr. RADANOVICH, Mr. CONAWAY, and Mr. CHABOT.
H.R. 2553: Mr. CLAY, Mr. CLEAVER, Ms. DEGETTE, Ms. MCKINNEY, Mr. WATT, Mr. CLYBURN, Mr. JEFFERSON, Mr. SCOTT of Georgia, Mrs. NAPOLITANO, Mr. BUTTERFIELD, Mr. PASTOR, and Mr. BERMAN.
H.R. 2594: Mr. WAMP.
H.R. 2625: Mr. LARSON of Connecticut.
H.R. 2808: Mr. SOUDER, Mr. LINCOLN DIAZ-BALART of Florida, Mr. WOLF, Mr. KUHL of New York, and Mr. MCHUGH.
H.R. 2861: Mr. PAYNE and Ms. EDDIE BERNICE JOHNSON of Texas.
H.R. 2892: Mr. GEORGE MILLER of California.
H.R. 2952: Mrs. CAPPS.
H.R. 2962: Mr. LEWIS of Georgia and Mrs. JONES of Ohio.
H.R. 3049: Mr. EVANS.
H.R. 3059: Ms. BEAN.
H.R. 3098: Mr. HASTINGS of Florida, Mrs. CAPITO, Mr. SHAW, Mr. BURTON of Indiana, Mr. RENZI, Mr. ENGEL, Mr. BONNER, and Mr. VAN HOLLEN.
H.R. 3127: Mr. DAVIS of Illinois and Mr. MEEK of Florida.
H.R. 3140: Mr. LEWIS of Georgia and Ms. SCHWARTZ of Pennsylvania.
H.R. 3145: Mr. BUTTERFIELD and Mr. WEXLER.
H.R. 3301: Mr. EVANS.
H.R. 3361: Mrs. TAUSCHER and Ms. SOLIS.
H.R. 3373: Mr. BROWN of South Carolina.
H.R. 3385: Mr. SCHWARZ of Michigan, Mr. FARR, Mr. MICA, and Ms. MATSUI.
H.R. 3476: Ms. GINNY BROWN-WAITE of Florida.
H.R. 3547: Mr. ORTIZ.
H.R. 3550: Mr. REYES, Mr. STARK, Mr. LANTOS, Mr. GEORGE MILLER of California, Mr. CONYERS, Mr. BISHOP of New York, Mr. MOORE of Kansas, Mr. OWENS, Mr. PAYNE, Mr. DEFAZIO, Mr. MORAN of Virginia, Mr. MCDERMOTT, and Mr. SANDERS.
H.R. 3559: Mr. PICKERING, Mr. REYNOLDS, Mr. OXLEY, Mr. MEEHAN, Mr. ETHERIDGE, and Mr. KILDEE.
H.R. 3575: Mr. ACKERMAN.
H.R. 3598: Mr. JEFFERSON.
H.R. 3616: Mr. KILDEE.
H.R. 3629: Mr. SANDERS, Mr. KENNEDY of Rhode Island, and Ms. SCHWARTZ of Pennsylvania.
H.R. 3640: Mr. DAVIS of Illinois, Mr. MEEKS of New York, Mr. CUMMINGS, Ms. EDDIE BERNICE JOHNSON of Texas, Ms. HERSETH, and Ms. NORTON.
H.R. 3641: Mr. WELDON of Pennsylvania.
H.R. 3642: Mr. WOLF, Mr. PALLONE, Ms. WOOLSEY, Mr. PAYNE, Mr. KILDEE, and Mr. BERMAN.
H.R. 3693: Mr. OTTER.
H.R. 3740: Mr. DAVIS of Illinois, Mr. BISHOP of New York, and Mr. DENT.
H.R. 3861: Mr. SPRATT, Mr. SKELTON, Mr. MICHAUD, Mr. KILDEE, Mrs. MCCARTHY, and Ms. EDDIE BERNICE JOHNSON of Texas.
H.R. 3889: Mr. HOEKSTRA and Mr. BERRY.
H.R. 3940: Mr. FATTAH.
H.R. 3948: Mrs. JONES of Ohio, Mr. STUPAK, Mr. DOGGETT, and Mr. CASE.
H.R. 3953: Mr. FOLEY.
H.R. 3957: Mr. BROWN of Ohio.
H.R. 3985: Mr. CLEAVER, Mr. ROSS, and Mr. COSTA.
H.R. 3997: Mrs. BIGGERT and Mr. PEARCE.
H.R. 4025: Mr. CHANDLER and Mr. FALEOMAVAEGA.
H.R. 4033: Mr. EVANS and Ms. SOLIS.
H.R. 4042: Mr. DAVIS of Illinois.
H.R. 4049: Ms. LEE.
H.R. 4083: Mr. MARCHANT, Mr. GARY G. MILLER of California, Mr. MCCOTTER, and Mr. BURTON of Indiana.
H.R. 4089: Mr. GARRETT of New Jersey.
H.R. 4092: Mr. BACA, Ms. HERSETH, Mr. SHIMKUS, Mr. FATTAH, and Mr. RUPPERSBERGER.
H.R. 4098: Mr. ENGLISH of Pennsylvania, Mr. GINGREY, Ms. WOOLSEY, and Mr. TERRY.
H.R. 4099: Mr. GARRETT of New Jersey.
H.R. 4120: Mr. KING of Iowa and Mr. DEAL of Georgia.
H.R. 4145: Mr. COLE of Oklahoma, Mr. TIERNEY, Mr. WILSON of South Carolina, Mr. ANDREWS, Mr. BAIRD, Ms. MATSUI, Mr. MCINTYRE, Mr. DEFAZIO, Mr. SABO, Mr. GENE GREEN of Texas, Mr. KANJORSKI, Mr. LANGEVIN, and Mr. TIBERI.
H.R. 4177: Mr. FEENEY.
H.R. 4186: Mr. EHLERS, Mr. UPTON, and Mr. MCCOTTER.
H.R. 4194: Mr. GORDON, Mr. SPRATT, and Mr. ABERCROMBIE.
H.R. 4200: Mr. SAM JOHNSON of Texas, Mr. HYDE, Mr. CUNNINGHAM, Ms. JACKSON-LEE of Texas, and Mr. SWEENEY.
H.R. 4217: Mr. MCCRERY, Mr. DUNCAN, and Mrs. NORTHUP.
H.R. 4233: Mrs. MCCARTHY, Mr. PAYNE, Mr. VAN HOLLEN, Mr. UDALL of Colorado, Ms. LINDA T. SÁNCHEZ of California, and Mr. FOSSELLA.
H.R. 4236: Mr. DAVIS of Tennessee and Mr. GOODLATTE.
H.R. 4239: Mr. BISHOP of Utah.
H.R. 4246: Mr. GOHMERT, Mr. POE, Mr. SAM JOHNSON of Texas, Mr. HENSARLING, Mr. CULBERSON, Mr. BRADY of Texas, Mr. MCCAUL of Texas, Mr. CONAWAY, Ms. GRANGER, Mr. THORNBERRY, Mr. HINOJOSA, Mr. REYES, Ms. JACKSON-LEE of Texas, Mr. NEUGEBAUER, Mr. GONZALEZ, Mr. SMITH of Texas, Mr. DELAY, Mr. BONILLA, Mr. MARCHANT, Mr. BURGESS, Mr. ORTIZ, Mr. GENE GREEN of Texas, and Mr. CARTER.
H.R. 4263: Mr. CONYERS.
H.R. 4278: Mr. PAYNE, Mr. SERRANO, Mr. CROWLEY, and Mr. HONDA.
H.R. 4321: Mr. HEFLEY.
H.R. 4348: Mr. MEEK of Florida and Ms. WASSERMAN SCHULTZ.
H.R. 4351: Mr. OWENS and Ms. NORTON.
H.J. Res. 3: Mr. OWENS, Mr. GRIJALVA, and Ms. MCCOLLUM of Minnesota.
H.J. Res. 38: Mr. ALLEN.
H.J. Res. 70: Mr. MCDERMOTT and Mr. PASTOR.
H. Con. Res. 10: Mr. LEVIN.
H. Con. Res. 42: Mr. BOEHLERT.
H. Con. Res. 137: Ms. LINDA T. SÁNCHEZ of California.
H. Con. Res. 174: Ms. HART, Mr. KILDEE, and Mr. REYES.
H. Con. Res. 179: Mr. SMITH of New Jersey and Mr. SHAYS.
H. Con. Res. 221: Mr. BACHUS.
H. Con. Res. 231: Mr. PLATTS.
H. Con. Res. 275: Mr. BISHOP of Georgia and Mr. SHERMAN.
H. Con. Res. 277: Mr. GRAVES, Mrs. EMERSON, Mr. MOORE of Kansas, and Mr. UPTON.
H. Con. Res. 302: Mr. BURTON of Indiana, Mr. CHABOT, Mr. DOOLITTLE, Mr. HAYES, and Mr. DUNCAN.
H. Res. 90: Mr. AL GREEN of Texas.
H. Res. 196: Ms. CARSON, Ms. NORTON, Mr. BRADY of Pennsylvania, Mrs. MCCARTHY, Mr. ROSS, Mr. FORD, Mrs. CHRISSTENSEN, Mr. COSTELLO, Mr. DAVIS of Florida, Mr. BARROW, Mr. THOMPSON of Mississippi, Mr. LEWIS of Georgia, Mr. CARDIN, Mr. GENE GREEN of Texas, Mr. SCOTT of Virginia, Mr. MCGOVERN, Mr. ENGEL, Mr. UDALL of Colorado, Ms. MCKINNEY, and Ms. HARMAN.
H. Res. 471: Mr. WOLF.
H. Res. 477: Ms. MCKINNEY.
H. Res. 479: Mr. GALLEGLY.
H. Res. 495: Mr. WOLF.
H. Res. 556: Ms. WOOLSEY.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 109th CONGRESS, FIRST SESSION

Vol. 151 WASHINGTON, THURSDAY, NOVEMBER 17, 2005 No. 153—Book II

Senate

IRAQ PRE-WAR INTELLIGENCE

Mr. KENNEDY. Mr. President, yesterday Vice President CHENEY said elected officials had access to the intelligence and were free to draw their own conclusions. They arrived at the same judgment about Iraq's capabilities and intentions made by this administration and by the previous administration. What world is the Vice President living in? No one seriously believes what the Vice President is saying. Once again, he is deliberately deceiving the American people. It is a calculated, partisan, political ploy.

President Bush and the Vice President have begun a new campaign of distortion and manipulation because the polls show that Americans have lost trust in the President and believe he manipulated intelligence before the war. The President and Vice President have abandoned any pretense of leading this country and have gone back on to the campaign trail.

But the country won't have it this time. Not only can the President and Vice President not find weapons of mass destruction, they cannot find the truth either. The administration broke the essential bond of trust that has to exist between the White House and the American people. They have to be able to trust that we will be told the truth, especially on the important issues of war and peace.

The Congress did not have access to the intelligence the President and the Vice President had. It is plain wrong. The administration's drumbeat for war began in the summer of 2002, but it did not provide an intelligence estimate—the collective wisdom of the intelligence community—to back up its claims about al-Qaida and nuclear weapons and the immediate threats until Democrats on the Intelligence Committee demanded it.

Even then, the administration did not provide the intelligence estimate until October 1, 2002—2 days before the debate began on the resolution authorizing war. The vote on the resolution occurred 1 week later, on October 11.

Beyond the NIE, the suggestion that the Members of Congress have access to the same classified material as the President is preposterous. The President receives a Presidential daily brief and a briefing every morning with top intelligence officials. The White House has access to memos with intelligence information that the Congress never sees. Even when we ask for this information, they do not provide it.

It is abundantly clear that the administration is engaged in nothing more than a devious attempt to obscure the facts and take the focus off the real reason we went to war in Iraq. No matter what the Vice President says, 150,000 American troops are bogged down in a quagmire in Iraq because the Bush administration misrepresented and distorted the intelligence to justify a war America never should have fought. They misled us on al-Qaida. They misled us on aluminum tubes, materials from Africa, and nuclear weapons.

What was said before by the administration does matter. The President's words matter, and so do the Vice President's, and so do the Secretary of State's, and so do the Secretary of Defense's, and the other high officials in the administration, and they did not square with the facts.

The Intelligence Committee agreed to investigate the clear discrepancies, and it is important they get to the bottom of this and find out how and why this President took America to war in Iraq. Americans are dying. Already more than 2,000 have been killed, and more than 15,000 have been wounded.

The American people deserve the truth. It is time for the President to stop passing the buck and for him to be held accountable. It is time for a change in this country. Something has to give. A tarnished White House and damaged Presidency is pulling America backwards.

Mr. President, I yield the floor.

Mr. GRASSLEY. Mr. President, I spend most of my time with the work of the Judiciary Committee and the work of the Finance Committee. I do not get into intelligence and Armed Services issues very often. But I listened to Senator KENNEDY's criticism of President Bush and Vice President CHENEY that they deceived the American people.

I saw some things on television last night of which Senator KENNEDY ought to be reminded. If he watched television last night, he might have a little different view.

I heard him say that President Bush maybe had more information than Congress had, and so it was wrong for the President today to say that Congress is rewriting history in any way because he maybe had more information than we had. I believe that is what Senator KENNEDY said.

I do not know for sure if the President has more information than we have because when I go upstairs to S–407, to our secure briefing room, I am assuming I am getting the same information as the President is getting. Perhaps not as often, but getting the same information. So I think it is ludicrous to say that Members of the Senate cannot be up to speed on what the threats are to our Nation. But, for sure, if he had watched television last night, he would have heard a speech by President Clinton in 1998. The speech was on the threat of Saddam Hussein to our country at that time. Surely, Senator KENNEDY cannot deny that President Clinton had exactly the same information President Bush would have had from our intelligence community. I very clearly heard President Clinton, when he was President, speak of the terrible threat that Saddam Hussein was to the world and to America, and that he was going down a road to do something about it.

Now, obviously, that did not happen. But we did pass a resolution called the

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Printed on recycled paper.

Iraqi Liberation Act, where Congress, in a unanimous vote took a position at that period of time that we considered Saddam Hussein a threat and that he ought to be removed from office, from the leadership of his country.

If President Clinton, while he was in office, using that intelligence, saw Saddam Hussein as a threat, the same way President Bush did, I do not see how any Democrat can be on the floor of the Senate and say the President of the United States is deceiving the American people.

Also, last night I happened to hear a 2- or 3-minute speech by Senator CLINTON, made in 2002, how horrible Saddam Hussein was and how he was somebody to fear and a threat and the inclination of doing something about it.

It is intellectually dishonest for any Democrat to come to the floor and accuse our President of misleading the American people. They ought to be ashamed of themselves. Have they no shame?

I have something I want to refer to because we have had people outside the Congress, outside the administration, look at some of these very issues. We had the Robb-Silberman commission report. Senator Robb is a former Democratic Member of this body. Judge Silberman is a Republican, served on the DC Circuit. They gave a report about Presidential daily briefings versus what is in the National Intelligence Estimate. There is no significant difference between the two reports, the Presidential daily briefing and the National Intelligence Estimate. Quoting from the report:

> It was not that the intelligence was markedly different. Rather, it was that the PDBs and the SEIBs, with their attention-grabbing headlines and drumbeat of repetition, left an impression of many corroborating reports where in fact there were very few sources. And in other instances, intelligence suggesting the existence of weapons programs was conveyed to senior policymakers, but later information casting doubt upon the validity of that intelligence was not.

That is shortcomings of our intelligence community, the same shortcomings that President Clinton probably experienced during his time in office, when he was making estimates of the threat of Saddam Hussein, the same way that President Bush was making those estimates.

The Robb-Silberman commission found Presidential daily briefings to contain similar intelligence in ''more alarmist'' and ''less nuanced'' language. Continuing to quote:

> As problematic as the October 2002 [National Intelligence Estimate] was, it was not the Community's biggest analytic failure on Iraq. Even more misleading was the river of intelligence that flowed from the CIA to top policymakers over long periods of time—in the President's Daily Brief and in its more widely distributed companion, the Senior Executive Intelligence Brief. These daily reports were, if anything, more alarmist and less nuanced than the [National Intelligence Estimate].

That is what one former Democratic Senator and a Republican judge, appointed to a commission to look into this, have reported. When you take all of these things into consideration, plus the quotes of Senator CLINTON that I referred to in the year 2002 that I saw on television last night, or the statements by President Clinton in 1998 when he was President that I saw on television last night, it seems to me it is absolutely wrong and misleading to come up here and say the President of the United States and the Vice President were deceiving the American people, particularly when Senators can have briefings if they want them.

FREEDOM IN ASIA AND BURMA

Mr. MCCONNELL. Mr. President, I want to take a moment to commend President Bush for his superb remarks regarding freedom and democracy in Asia. It is fitting that these comments were made in Japan, a key strategic ally of the United States.

I will not recount the entire speech—which I encourage all my colleagues to read—but will highlight two paragraphs. The President said:

> Unlike China, some Asian nations still have not taken even the first steps toward freedom. These regimes understand that economic liberty and political liberty go hand in hand, and they refuse to open up at all. The ruling parties in these countries have managed to hold onto power. The price of their refusal to open up is isolation, backwardness, and brutality. By closing the door to freedom, they create misery at home and sow instability abroad. These nations represent Asia's past, not its future.
>
> We see that lack of freedom in Burma—a nation that should be one of the most prosperous and successful in Asia but is instead one of the region's poorest. Fifteen years ago, the Burmese people cast their ballots—and they chose democracy. The government responded by jailing the leader of the pro-democracy majority. The result is that a country rich in human talent and natural resources is a place where millions struggle simply to stay alive. The abuses by the Burmese military are widespread, and include rape, and torture, and execution, and forced relocation. Forced labor, trafficking in persons, and use of child soldiers, and religious discrimination are all too common. The people of Burma live in the darkness of tyranny—but the light of freedom shines in their hearts. They want their liberty—and one day, they will have it.

These words should ring loudly and clearly throughout the region. I commend President Bush for these comments and for the solid leadership he provides in supporting freedom in Burma. Moreover, I applaud the efforts made by President Bush and Secretary Rice to put Burma on the U.N. Security Council's agenda.

SUPPORT FOR JAILED JOURNALISTS DAY

Mr. LUGAR. Mr. President, today is ''action day'' to support jailed journalists around the world, as declared by the independent organization, Reporters Without Borders. I rise today to express my support for this cause and to emphasize that our country has long believed that a free press is a cornerstone of democracy, both here and abroad. Last year, at my urging, Congress created a free press institute at the National Endowment for Democracy to promote, as part of our democracy-building efforts, free, independent and sustainable news media organizations overseas. This year, I introduced the Free Flow of Information Act to allow journalists in this country to protect the identity of their confidential sources. After I introduced the legislation, a reporter for one of America's most respected media organizations, Judith Miller of the New York Times, was jailed for 85 days for failing to disclose a confidential source, while another, Matt Cooper of Time magazine, was also threatened with jail for the same reason. I believe that in order for the United States to foster the spread of freedom and democracy globally, we must support an open and free press at home.

According to Reporters Without Borders, 112 journalists are currently jailed in 23 countries, including places like China, Cuba, Eritrea, and Burma. This is not good company for the United States to keep. I urge the administration and our diplomats overseas to do everything they can to gain the release of these jailed journalists, who were doing nothing more than trying to keep their fellow citizens informed. I ask unanimous consent that the following information from Reporters Without Borders be printed in the RECORD.

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

16TH JAILED JOURNALISTS' SUPPORT DAY, THURSDAY, NOVEMBER 17, 2005.

Reporters Without Borders calls on the media to demonstrate their solidarity with imprisoned journalists. We were exceptionally active when journalists were being held hostage in Iraq, and our challenges may seem less urgent now. But that is not the case. A total of 186 media people (112 journalists, 3 assistants and 71 cyber-dissidents) are imprisoned in 23 countries. What crimes have they committed? They have revealed sensitive issue, called for democracy and greater respect for individual freedoms, refused to give in to censorship or to an enforced line of thought. In short, they simply tried to do their jobs.

In an appeal for solidarity with imprisoned journalists, Reporters Without Borders is organizing the 16th consecutive annual day of action. We are urging the worldwide news media- throughout the world— to acknowledge the fate of those who have to struggle every day for the right to report the news.

To break the silence concerning their plight and to bring it to the public attention of the public, Reporters Without Borders calls on the news media to highlight the case of an imprisoned journalist on this year's ''action day'', Thursday, November 17.

The jails of three countries alone are holding more than half of the world's imprisoned journalists. The three countries that constitute the world's biggest prisons traps for the press are China (with 31 journalists behind bars), Cuba (23), and Eritrea (13).

Mobilization is needed to ease the harsh reality of prison conditions. Denied contact with their families and even proper nourishment, most of these journalists live within

poor or non-existent sanitary conditions. They are frequently isolated from fellow prisoners and left to cope in terrible isolation.

The purpose of this Day is above to free these journalists from yet another prison, that of silence and oblivion. Unless their cases are regularly brought before international public the guilty governments will retain impunity. They will have no reason to worry about the fate of prisoners in their jails. Publicity thus becomes a sort of ''life insurance'' contributing directly to the protection of the prisoners.

It also allows a furtherance of the struggle begun by the imprisoned journalists. Articles that media write about them underscore the reasons and the circumstances of their arrest as well as the issues the journalists were working on before they were imprisoned. In speaking about their case, the sponsor circumvents the censorship they suffered and exposes the unfairness of their imprisonment.

A media's decision to cover the plight of a journalist demonstrates its commitment to defend the right to freely inform and to be informed. It allows journalists to show their solidarity with colleagues with whom they share their passion for a job that is so crucial to ensuring democracy. Since this campaign was launched in 1989, more than 100 journalists have been sponsored by media all around the world. Some media outlets decided to cover their plight without endorsing one particular case. Almost half of them have been released and in part as a result of the support from their sponsors. Several journalists sponsored by International media have been released like Fatimah Nisreen (The Maldives) amnestied on 9 May 2005 or Raul Rivero (Cuba) released on 30 November 2004.

On the day of their release, many journalists stressed the value of not feeling ''utterly forgotten''. It gave them the courage to continue to bear their imprisonment.

The struggle the news media undertake alongside Reporters Without Borders to defend the existence of a free press is not hopeless. Even when those steps appear to have been in vain, we know that international backing for a prisoner brings essential psychological support and often protects his or her life. This achievement alone represents a victory over authoritarianism and repression carried out by so many governments.

Please find below:

—a few examples of cases of jailed journalists

—press freedom barometer—Key statistics

—the list of 112 journalists imprisoned worldwide (as of November 2, October 2005)

—the list of the current sponsors

Yu Dongyue—CHINA

A journalist and art critic with the Liuyang News, he was arrested on 23 May 1989 during student demonstrations in Tienanmen Square in Beijing. He was convicted on 11 July that year of ''sabotage'' and ''counter-revolutionary propaganda'' and jailed by the Beijing intermediate municipal court for 20 years, with five years deprivation of civil rights. His sentence was cut by two years in March 2000 but he is not due to be released until 21 May 2007. Yu is suffering from psychological problems as a result of long spells in solitary confinement.

Miguel Galván Gutiérrez—CUBA

Journalist with the independent news agency Havana Press, he was accused of being ''a mercenary in the pay of a foreign power'' and convicted to 26 years in jail. As with other dissidents arrested at the time, his arrest reportedly came after a long search of his home and seizure of papers and equipment such as a typewriter, fax machine and phone. He appeared last August before the prison disciplinary council for sending information to Miami radio stations. He was then put in solitary confinement, without electricity, and was not allowed to use the phone.

His health has steadily worsened in prison. His frequent spells in solitary confinement (73 days in his first 11 months) aggravated his ailments, including frequent diarrhea, stomach and joint pains, swollen feet and a paralyzed arm and, in April 2005, high fever, urinary problems and back pain. He does not get the medicine he needs.

Win Tin—BURMA

Win Tin, one of the political mentors of Nobel Peace Prize winner Aung San Suu Kyi, continues to serve his 20–year prison sentence. He is regularly offered freedom in exchange for a signed promise to give up all political activity. But ''Saya'' (Teacher), as his friends call him, has always refused to cut such a deal and break his ties with the National League for Democracy, which was cheated out of its landslide victory at the 1990 general elections.

He was convicted of ''subversion'' and ''anti-government propaganda.'' In 1996, he was held for five months in a dog-kennel at Rangoon's Insein prison. He has since had two heart attacks and lost most of his teeth. Now 75, he has been shuttling back and forth between his cell and the spartan prisoners' wing of Rangoon hospital for the past few years.

These days, Burma's military rulers treat him with a little more respect and he now has his own cell. But he is still not allowed to write anything.

Akbar Ganji—IRAN

This Iranian journalist with the reformist daily Sobh-e-Emruz, Neshat and Asr-é-Azadegan was arrested on April 22, 2000 when he returned from a conference in Berlin that the Iranian authorities considered ''anti-Islamic'' and ''anti-revolutionary.'' In January 2001, he was sentenced to 10 years in jail and to banishment.

He had to answer 10 charges, based on complaints filed by the ministry of intelligence, the police and a former minister of intelligence. The prosecutor accused him of ''acting against national security'', ''circulating propaganda against the Islamic system'', and ''insulting religious figures.'' He was also accused of publishing articles accusing senior officials of involvement in the murder of regime opponents and intellectuals in 1998. In May 2001, his sentence was reduced from 10 years to six months. In July 2001, the Supreme Court increased it to 6 years.

Akbar Ganji was held in Evin prison in Tehran, where he was able to continue reading and writing. But he was not able to telephone his family or receive medical treatment despite suffering from acute asthma. He began a hunger strike on June 11 and lost 44 kilos in the course of the next month. Akbar Ganji finally calls off his hunger strike after more than 60 days. He was sent back to Evin prison in early September.

Pham Hong Son—VIETNAM

Medical doctor and local representative of a foreign pharmaceutical company. He has been in prison since March 2002 for translating and posting online an article from the local US embassy website called ''What is democracy?'' and an essay called ''Encouraging signs for democracy in Vietnam.'' He had earlier written and posted on Vietnamese online discussion groups several articles advocating democracy and human rights.

He was sentenced to 13 years imprisonment in June 2003 for ''spying,'' followed by three years of house arrest, by the Hanoi People's Court. The prison sentence was reduced on appeal to five years on 26 August that year. He has a groin hernia which could kill him if he does have an operation.

Dominique Makeli—RWANDA

Dominique Makeli, a Radio Rwanda commentator, has been in prison in Rwanda since 18 September 1994. After being moved several times, he is now in the main prison in Kigali.

The public prosecutor told Reporters Without Borders in October 2001 that he was accused of ''incitement to genocide in his reporting.'' He had reported on an apparition of the Virgin Mary in Kibeho (west of Butare) in May 1994 and had quoted her supposed words : ''The parent is in heaven.''

The prosecutor said people would have understood this as divine support for President [Juvenal] Habyarimana and, by extension, for the policy of exterminating Tutsis. Thiswas disputed by Makeli and many witnesses. His case-file was sent in August 2004 to a gacaca (a village court system revived by the authorities).

Complete biographies of these journalists and others are available upon request. Please contact Lucie Morillon, Reporters Without Borders Washington Director, (202) 256–5613 or lucie.morillon@rsf.org

PRESS FREEDOM KEY STATISTICS AS OF NOVEMBER 2, 2005

Reporters Without Borders has been defending the public's right to news and information for 20 years. It intervenes as soon as possible when the freedom to inform and be informed is under threat is at risk, or as soon as a journalist somewhere in the world is imprisoned anywhere just for doing their job. Journalists are still being routinely targeted in more than half the world's countries represented at the United Nations.

By paying for defense lawyers when to assist journalists are tried at their trial, giving financial aid to the families of murdered or imprisoned journalists who have been killed or imprisoned, waging public- awareness campaigns and taking care offering help to of journalists who are forced to flee their country, Reporters Without Borders takes action every day to combat censorship.

PRESS FREEDOM BAROMETER

Worldwide, more than 684 journalists have been killed since 1992.

More than 1,450 journalists were arrested, beaten, threatened, kidnapped or otherwise harassed and more than 320 media were censored in 2004.

53 journalists have been killed since the start of 2005.

5 media assistants have lost their lives since the start of 2005.

73 journalists have been killed in Iraq in March 2003, making it the deadliest war for the press since World War II.

Worldwide, 112 journalists and 3 media assistants are currently in prison for doing their job.

71 cyber-dissidents are currently in prison, 62 of them in China. 112 journalists are currently in prison just for trying to report the news.

The jails of three countries alone are holding more than half of the world's imprisoned journalists.

The three countries that constitute the world's biggest prisons traps for the press are China (with 31 journalists behind bars), Cuba (23), and Eritrea (13).

Their crimes? Revealing embarrassing facts, demanding more respect for civil rights, or refusing to submit to censorship or adopt a particular set of views. Physical and psychological harassment, intimidation and permanent surveillance are also used routine.

The 112 journalists imprisoned worldwide (as of November 2, October 2005)

Afghanistan (1): Ali Mohaqiq Nasab: sentenced to two years in prison.

Algeria (1): Mohammed Benchicou: sentenced to two years in prison.

Burma (6): Lazing La Htoi: arrested on July 27 July, 2004, and still awaiting trial.

Ne Min: sentenced to 15 years.

Monywa Aung-Shin: sentenced to 7 years.

Than Win Lhaing: sentenced to 7 years.

Thaung Tun: sentenced to 8 years.

Win Tin: sentenced to 20 years.

China (31): Asia continues to be the world's most repressive continent for journalists. In East Asia, China is ranked 159th in the Reporters Without Borders Worldwide Press Freedom Index (October 20, 2005), making. That puts it among one of the world's 10 worst countries. Some media have been privatized, but the government's propaganda department is watchful scrutinizing the media and the banned media has been banned from covering dozens of sensitive subjects in the course of the pover the last year. Crackdowns by the authorities and violence against journalists by armed groups prevent are keeping the media from expressing themselves freely.

Ching Cheong: imprisoned in jail since April 22, 2005. Still awaiting trial.

Tashi Gyaltsen, Lobsang Dhargay, Thoe Samden, Tsultrim Phelgay, Jampel Gyatso: imprisoned since January 14, 2005. Awaiting trial.

Shi Tao: sentenced to 10 years in prison.

Zhao Yan: awaiting trial.

Li Minying: sentenced to 6 years.

Yu Huafeng: sentenced to 8 years.

Zhang Wei: sentenced to 6 years.

Zuo Shangwen: sentenced to 5 years.

Ou Yan: his release date has yet to be announced. Although he has already completed a 2-year prison sentence.

Wang Daqi: sentenced to 1 year in prison, he was not freed after completing serving his sentence.

Lu Wanbin: arrested on December 22, 2001. Awaiting trial.

Ma Linhai: arrested on November 24, 2001. Awaiting trial.

Feng Daxun: he was never released after completing a 3-year prison sentence.

Jiang Weiping: sentenced to 9 years.

Xu Zerong: sentenced to 13 years.

Li Jian: arrested in November 1999. No news about his trial.

Zha Jianguo: sentenced to 9 years.

Gao Hongming: sentenced to 8 years.

Yu Tianxiang: sentenced to 10 years.

Gao Qinrong: sentenced to 13 years.

Qin Yongmin: sentenced to 12 years.

Fan Yingshang: sentenced to 15 years.

Zhang Yafei: sentenced to 11 years.

Hu Liping: sentenced to 10 years.

Yu Dongyue: sentenced to 20 years.

Chen Renjie and Lin Youping: sentenced to life imprisonment in July 1983.

North Korea (1): There has been no news of Song Keum Chul since he was jailed in 1996.

Cuba (24): 161st place in the Worldwide Press Freedom Index. Two journalists have just joined the 21 others who have been imprisoned since the March 2003 crackdown. One of them, Oscar Mario González Pérez, is awaiting trial and faces up to 20 years in prison under Law 88, which that protects ''Cuba's national independence and economy.''

Lamasiel Gutiérrez Romero: sentenced to 7 months in prison.

Albert Santiago Du Bouchet Fernández: sentenced to 1 year in prison.

Normando Hernández González: sentenced to 25 years.

Omar Moisés Ruiz Hernández: sentenced to 18 years.

Juan Carlos Herrera Acosta: sentenced to 20 years.

Alejandro González Raga: sentenced to 14 years.

Alfredo Felipe Fuentes: sentenced to 26 years.

Mijail Barzaga Lugo: sentenced to 15 years.

Mario Enrique Mayo Hernández: sentenced to 20 years.

Pablo Pacheco Ávila: sentenced to 20 years.

Fabio Prieto Llorente: sentenced to 20 years.

Adolfo Fernández Sainz: sentenced to 15 years.

Héctor Maseda Gutiérrez: sentenced to 20 years.

Julio César Gálvez Rodríguez: sentenced to 15 years.

Alfredo Manuel Pulido López: sentenced to 14 years.

José Ubaldo Izquierdo Hernández: sentenced to 16 years.

Victor Rolando Arroyo Carmona: sentenced to 26 years.

Miguel Galván Gutiérrez: sentenced to 26 years.

Pedro Argüelles Morán: sentenced to 20 years.

Omar Rodríguez Saludes: sentenced to 27 years.

José Luis García Paneque: sentenced to 24 years.

Ricardo González Alfonso: Reporters Without Borders correspondent, sentenced to 20 years.

Ivan Hernández Carrillo: sentenced to 25 years.

Egypt (1): Abd al-Munim Gamal al Din Abd al Munim has been subject to serving out an indefinite internment order since October 30, 1993.

Eritrea (13): 166th in the Worldwide Press Freedom Index-, is a ''black hole'' country for news. Not one of the 13 journalists currently detained in custody has ever been given a trial. So therefore, none has received an official sentence.

Hamid Mohamed Said, Saleh Al Jezaeeri and Saidia Ahmed have been in prison since February 2002.

Seyoum Tsehaye, jailed since September 21, 2001.

Temesgen Gebreyesus and Said Abdulkader, since September 20, 2001.

Mattewos Habteab and Yusuf Mohamed Ali, since September 19, 2001.

Medhanie Haile, Emanuel Asrat, Dawit Isaac and Fessehaye Yohannes, since September 18, 2001.

Dawit Habtemichael, since September 2001.

Ethiopia (2): Neither of the two imprisoned journalists have been tried, and so neither of them have been officially sentenced.

Shiferraw Insermu and Dhabassa Wakjira: imprisoned prisoners since 22 April 2004.

Iraq (5): Five journalists are being held incommunicado by the US Army without any information being provided to them.

Hameed Majeed: detained since September 15, 2005.

Ali Omar Abrahem Al-Mashadani: detained since August 8, 2005.

Samer Mohamed Noor: imprisoned behind bars since June 4, 2005.

Ammar Daham Naef Khalaf: detained since April 11, 2005.

Abdel Amir Younes Hussein: in prison since April 5, 2005.

Iran (6): Mohammad Sedigh Kabovand: sentenced to 18 months.

Madh Amadi: awaiting trial, in prison since July 28, 2005.

Masoud Bastani: awaiting trial, in prison since July 25, 2005.

Siamak Pourzand: sentenced to 11 years in prison. Thanks to international pressure, he was given leave to return home for an indefinite period in December 2002, but was sent back to prison on March 30, 2003.

Hossein Ghazian: sentenced to four-and-a-half years in prison.

Akbar Ganji: sentenced to 6 years in prison.

Laos (1): Thongpaseuth Keuakoun was sentenced to 20 years in prison.

Libya (1): Abdullah Ali Al-Sanussi Al-Darrat has been in prison since January 1, 1973 and, is by all accounts, has yet to have been sentenced.

Maldives (3): Jennifer Latheef: sentenced to 10 years in prison.

Colonel Mohammed Nasheed: awaiting trial.

Abdullah Saeed: awaiting trial.

Morocco (2): Anas Tadili: sentenced to 10 months in prison on a non-political charge dating back 10 years, and then was given an additional 6 months in a press case. The sentences were commuted to 1 year on appeal (on September 29, 2004) to one year. The Judicial authorities are investigating some 10 other accusations that have been brought against him.

Abderrahmane El Badraoui: sentenced to 4 years.

Nepal (2): Nagendra Upadhyaya and Tejnarayan Sapkota: detained under an anti-terrorist law, and awaiting trial.

Uzbekistan (4): Nosir Zokirov: sentenced on August 26, 2005 to 6 months in prison.

Sabirjon Yakubov: sentenced to 20 years in prison.

Jusuf Ruzimuradov: arrested on August 18, 1999. Sentenced to 8 years in prison.

Mohammed Bekjanov: sentenced to 15 years in prison.

Rwanda (4): Father Guy Theunis: imprisoned since September 10, 2005, pending trial.

Jean-Leónard Rugambage: detained since September 7, 2005, pending trial.

Tatiana Mukakibibi: detained since October 2, 1996. Has not yet been tried.

Dominique Makeli: imprisoned since September 18, 1994. Not yet been tried.

Sierra Leone (1): Paul Kamara: serving prison sentences totalling 4 years (two year sentences).

Tunisia (1): Hamadi Jebali: sentenced on January 31, 1991 to 1 year in prison for defamation. Given an additional 16–year sentence on August 28, 1992 for ''membership in an illegal organization'' and ''wanting to change the nature of the state.''

Turkey (2) Memik Horuz: sentenced to 15 years in prison on June 13, 2002 to 15 years in prison.

Sinan Kara: sentenced to 9 months in prison.

Working together to advance the cause of press freedom. Reporters Without Borders would like to thank the sponsors of imprisoned journalists for all they have done and will continue to do to achieve obtain the release of those they have their adopted colleagues.

Since 1989, we have been inviting the French and international news media to adopt journalists who are in prison just for doing their jobs. On November 17, sponsors are will be asked to take special initiatives specific actions to pressure authorities for releasing of their adopted journalists and to publicize their cases, so that they will not be forgotten and so that the publicity affords will offer them some protection from their jailers. By writing to journalists in prison, contacting their families, protesting to the relevant competent authorities, and getting viewers, listeners, readers and Internet users interested in their cases, the news organizations, festivals and city halls who are sponsors can help Reporters Without Borders to support these men and women whose only crime is was wanting to reporting the news.

Thanks to the media that support a journalist:

93.3 Radio Québec, Christian Action for the Abolition of Torture and Executions (ACAT), AGEFI, Agencia Cover, Agriculture Horizon,

Alternatives Internationales, Amiens Métropole—JDA, Amina, Antena 3 TV, Arte, Associación de la Prensa de Cádiz, Assas/IFP, Avaldoci-Union Web periodistas, Azur FM, Bel RTL (French-language Belgian radio station), BFM, Cadena SER, Cambio 16 Aldateka Hamasei, Espacio de Informacion General (EIG), Cape Breton Post, Baden-Baden Press Club, Bordeaux Press Club, Clermont-Ferrand Press Club, Lille Press Club, Montpellier Press Club, Nimes Press Club, La Semaine de Nîmes, Press Club of Saint-Etienne and La Loire, UCPF, Strasbourg Press Club, Toulon Press Club, Pays Basque Press Club, Grenoble and Isère Press Club, Corriere Canadese, Coup d'oeil/Vers l'avenir, Courrier International, Dernières Nouvelles d'Alsace, Diariocritico.com, Echo vedettes, Edmonton Sun, El Correo Espanol/El Pueblo Vasco, El Mundo, El Pais, El Periodico de Catalunya, El Punt, El Siglo, En Marche, Enjeux internationaux, Festival International du Scoop et du Journalisme, Flair/L'Hebdo, France 2, France 3 sud Languedoc-Roussillon, France bleu pays d'Auvergne, France Culture, France Info, France Inter, France Soir, Fun Radio, Genève Home Information (GHI), Grands Reportages, www.cubantrip.com, Ici, Il Manifesto (Rome)(Q), Institut Pratique de Journalisme, ISR Info, JHR McGill Newsletter, Kommunalarbetaren, L'Expansion, L'Express, L'Express.fr, L'Humanité, L'Union du Cantal, L'Union(s), La presse dans tous ses états CIBL, La Tribune, La Vanguardia, La Voz del Occidente, Le Courrier Picard, Le Devoir, Le Figaro, Le Journal du Dimanche, Le Ligueur, Le Maine libre, Le Monde, Le Mouv', Le Nouvel Observateur, Le Nouvelliste (Q), Le Peuple, Le Populaire du Centre, Le Quotidien Jurassien, Le Reflet, Le Républicain Lorrain, Le Semeur hebdo, Le Soir, Le Soir Magazine, Le Télégramme de Brest et de l'Ouest, Le Vif/L'Express, Les Clés de l'Actualité, Les Petites affiches, Lethbridge Herald, Libération, www.liberation.fr, L'Indépendant, Maires de France, Mairie d'Arlanc, Mairie de Longeau, Mairie de Nancy, Mairie de Romans/Romans Magazine, Maison de la presse de Charleroi, Maison de la presse de Mons, McGill Daily, Mémoire de trame, Métro Belgique, Midi Libre, Milhistorias, Miljörapporten, Mirror, Mozaik Media, Nice Matin, NRJ, Okapi, Ottawa Citizen, Ottawa Sun, Ouest-France, Paca Informations économiques, Paris Normandie, Pèlerin magazine, Perfiles, Periodistases.org, Photographie.com, Plurimedias, ''Points chauds'' sur Telequebec, Pressens Tidning, Prix Bayeux des correspondants de guerre, Radio Classique, Radio contact/Contact Inter Radio Côte d'Amour, Radio Nostalgie, REE, RFI, RMC, RNE, RTBF, RTBF TV, RTL–TVI, Servimedia, Södermanlands Nyheter, Star Phoenix, SVM MAC, Télé Bruxelles, Télépro, Télérama, TF1, The Concordian, The Link, The Telegram, Tiempo, TV3, TV3 de Catalunya, TV5 monde, TVE-Television nationale, UDF, Vers l'avenir, Vlan, VSD, www.expotimes.net, www.press-list.com, Les Journalistes-écrivains pour la Nature et l'Ecologie.

SCIENCE-STATE-JUSTICE APPROPRIATIONS

Mr. BIDEN. Mr. President, yesterday the U.S. Senate approved the conference report to accompany H.R. 2862, the Science-State-Justice appropriations bill. I voted for this legislation because it provides critical funding for the Department of Justice, the FBI, and the Drug Enforcement Administration. However, I rise to explain that I am voting for this bill reluctantly because I feel that some of the funding priorities set forth in the bill will leave our communities more vulnerable to terrorist attacks traditional crime. In particular, this bill continues the wrongheaded trend of slashing Federal funding for State and local law enforcement and important criminal justice programs. This bill slashes funding for the Justice Assistance Grant and the COPS Program. And, for the first time, the Congress has decided to zero out the COPS hiring Program. I believe that this decision is a terrible mistake on so many levels, and I fear that our Nation's citizens will be less safe from traditional crime and terrorism as a result. Further, the bill slashes Federal assistance for the effective and cost-efficient drug court program by an astounding 75 percent.

Back in 1994 when we passed the legislation that created the COPS Program, our crime rates were at all-time highs. At that time, we made a commitment to our State and local law enforcement partners. During those years, we invested roughly $2.1 billion for State and local law enforcement each year and substantially upgraded our ability to combat crime. We added over 100,000 officers to patrol our neighborhoods, and we expanded crime prevention programs such as community policing programs across the Nation. What was the ultimate result? Crime rates for violent crime, murder and rape were all reduced, and today they remain at all-time lows. Many law enforcement experts and local officials credit the COPS Program for helping to achieve these results. In fact, no one, to my knowledge, with law enforcement expertise has argued otherwise. The International Association of Chiefs of Police, the National Sheriffs Association, the Fraternal Order of Police, the National Association of Police Organizations, and other local law enforcement groups all support the COPS Program. Attorney General Ashcroft has stated that the COPS Program was a miraculous success, and Attorney General Gonzalez stated that the COPS Program put officers on the street and we reduced crime. Moreover, a recent report by the Government Accountability Office concluded that COPS hiring grants had an impact on reducing crime rates.

Why would the Congress eliminate a program that is strongly supported by local law enforcement officials and has been proven effective by statisticians at the Government Accountability Office? Well, it has its basis in ideology. Some of my Republican colleagues argue that local crime is a local problem and the Federal Government should not be funding these local efforts. I completely disagree. How can it be a local responsibility when roughly 60 percent of all the crimes committed in America relate to drugs, abuse of drugs, and the sale and trafficking of illicit drugs? These drugs are smuggled across our national borders from State to State and city to city by sophisticated drug cartels and street gangs. How does a local sheriff prevent drugs that start out in a foreign country from being trafficked into his or her county? How does a police chief prevent the recruitment of local kids into international street gangs? In my opinion, crime is a national problem, and it requires a national response. The COPS Program demonstrated the Federal Government's commitment to approach crime as a national problem—and it worked.

I would also point out that State and local law enforcement forms our first line of defense against terrorism. Homeland security experts have pointed out the value that community policing programs can have in combating terrorism. This only makes sense—it is the local officer who knows the neighborhood who will be able to provide the types information necessary to help infiltrate a local terror cell. In addition, it will be a local officer walking the beat who happens to catch a suspect trying to pump sarin gas into the local mall air-conditioning ducts. It won't be a brave Special Forces agent with night vision goggles; it will be a local cop walking the beat. In this era of uncertainty, we need to be providing more support for our local police agencies to help make their efforts against terrorism and crime as robust as possible.

And by cutting the drug court program—one of the most effective programs to reduce substance abuse in the criminal population—we are sending a devastating message to the 16,000 individuals that graduate from drug courts each year. We are telling them that we don't care that diversion programs are successful at helping people overcome addiction to reenter society as productive citizens, holding down jobs, and regaining custody of their children. We are sending a message that we would prefer to revert to the bad old days of locking up nonviolent drug offenders in prisons where most will get no drug treatment and they will most likely just sink deeper into a life of crime.

And what message are we sending to the 70,000 people currently enrolled in drug courts who are working hard to live sober, crime-free lives? By slashing funding for the drug court program we are telling them that we are not invested in their recovery and we are putting their future in drug court programs in jeopardy.

It makes absolutely no sense to me that we are cutting this cost-effective program by 75 percent. By enrolling nonviolent drug offenders in drug courts, States save an enormous amount of money. One study showed that California's drug courts save the State $18 million a year. Another study showed that every dollar spent on a drug court program saves the city of Dallas, TX, $9.43 over a 40 month period. It is inconceivable to me that we would choose to cut this program. The

National Association of Drug Court Professionals estimates that our actions here today will result in more than 13,000 individuals losing access to drug court services. These 13,000 people will likely continue their lives of crime and drugs and being a threat to public safety instead of getting enrolled in a tough-love program that will help them to turn their lives around and get sober. It is truly a tragedy.

It is my opinion that we found a winning formula when we made the decision to invest in our State and local law enforcement partners and smart on crime initiatives in the nineties, and I believe that we are making a terrible mistake when we reduce funding for them. There is no greater responsibility of the Federal Government than the protection of its citizens. This is true whether the threat comes from international terrorist or from a thug down the street, and I strongly believe that we are taking the wrong approach when we cut funding for our State and local law enforcement partners. Sheriff Ted Sexton, the president of the National Sheriffs Association, got it right when he stated that ''cuts of this magnitude will seriously inhibit our ability to protect our communities and secure the homeland.'' And, the president of the International Association of Chiefs of Police was correct in pointing out that ''demanding that we play a central role in our Nation's homeland security efforts, while at the same time cutting the resources we need to do our job, is both hypocritical and irresponsible.'' I hope that the Republican-led Congress and President Bush will heed the call of these brave men and women and fully fund these critical programs next year.

MANUFACTURING DEDUCTION LEGISLATION

Mr. SANTORUM. I introduced a bill last month, S. 1816, that is vitally important to manufacturing businesses and the workers they employ in Puerto Rico. My bill extends the benefits of the manufacturing deduction, enacted last year with the American Jobs Creation Act of 2004, to apply to manufacturing operations that are conducted in Puerto Rico and are subject to full U.S. tax.

The new manufacturing deduction means that U.S. businesses operating in any of the 50 States will pay tax on their manufacturing income at 32 percent. Without the manufacturing deduction, U.S. businesses operating a branch in Puerto Rico will pay tax on their manufacturing income at 35 percent. This difference in tax treatment creates a disincentive for U.S. companies to conduct manufacturing operations in Puerto Rico, distorting manufacturing location choices and putting Puerto Rico at a disadvantage in terms of attracting and retaining investment.

My bill makes sure that manufacturing in the 50 States and manufacturing in Puerto Rico will be taxed at the same 32 percent rate. This will level the playing field for operations in Puerto Rico and operations in the States. I have a number of constituent corporations that operate in my State and have operations in Puerto Rico, and this provision is important to them.

I realize the proposal cannot be added to the budget reconciliation tax bill at this time but am hopeful it will be considered and enacted this year.

I want to applaud Ways and Means Committee Chairman BILL THOMAS for introducing H.R. 4323, which includes this extension of the manufacturing deduction to Puerto Rico. I look forward to working with Chairman THOMAS to get this important provision enacted.

MASSACRE AT SAN JOSE DE APARTADO

Mr. LEAHY. I want to speak about a matter that I suspect few Senators are aware of, but which should concern each of us.

On February 21, 2005, in the small Colombian community of San Jose de Apartado, eight people, including three children, were brutally murdered. Several of the bodies were mutilated and left to be eaten by wild animals.

This, unfortunately, was not unusual, as some 150 people, overwhelmingly civilians caught in the midst of Colombia's conflict, have been killed by paramilitaries, rebels, and Colombian soldiers in that same community since 1997. None of those crimes has resulted in effective investigations or prosecutions. No one has been punished.

That is an astonishing fact. Think of 150 murders, including massacres of groups of people, in a single rural community, and no one punished.

This latest atrocity occurred in a remote area frequented by rebels and paramilitaries. As a result, the presence of the Colombian army has also grown significantly there. Yet the army, which was sent to that area to protect civilians from attacks by illegal armed groups, is now suspected by some of having committed this massacre.

Residents of San Jose de Apartado have blamed the army, and international observers who went with community members to locate the bodies witnessed disturbing behavior by soldiers who reportedly laughed while body parts were being exhumed, who took pictures of themselves making victory signs, and who mishandled evidence from the massacre sites. There is also the possibility that paramilitaries acted in collusion with the army. And some have speculated that there were two separate groups of perpetrators, perhaps including the FARC, the Revolutionary Armed Forces of Colombia, the country's oldest rebel group.

Even before an investigation began, top Colombian officials publicly declared that the FARC was responsible. The Minister of Defense, who has since resigned, insisted that the army could not have done this because on February 21 they were more than 2 days' walking distance from the crime scene. It was soon determined, however, that there were soldiers only half a day's walk away, and army helicopters had recently been seen in the vicinity.

While it has not been proven who is responsible for this horrific crime, the government's rush to judgment was only its first mistake. That was quickly followed by the decision, against the wishes of the community, to send armed police officers into their midst. While I do not doubt the authority of Colombian police to enter that territory, it caused the majority of its inhabitants to flee their homes out of fear that the police would become a target of illegal groups and that the villagers could once again be harmed.

In fact, such an attack took place on June 26, when three policemen were wounded in an attack by the FARC and community members were caught in the crossfire. Later, on July 18, an old man was found beaten to death. There were two more killings by the FARC, one in August and another in September, and verbal threats and acts of intimidation by soldiers and police officers towards members of the community have reportedly steadily increased. Then last month, there were three incidents in which armed paramilitaries and soldiers reportedly threatened members of the community and destroyed property. It appears that the community may be no safer today than it was on February 21.

One of the consequences of the government's tactless approach to this and previous cases is that several witnesses from the community have refused to come forward and give testimony, and this has hindered the investigation. After a massacre of 6 members of this same community 5 years ago when over 100 people gave testimony to judicial authorities, no one was convicted and no report on the investigation was ever issued. Convincing witnesses to come forward this time will require a degree of sensitivity by the government that has, to date, been sorely lacking.

We are told by the Colombian Government that an investigation of the massacre is ongoing. That, unfortunately, is the story of most heinous crimes in Colombia. Investigations often continue without end, and often the perpetrators avoid punishment. I am concerned that this case may be no different.

According to information I have received, neither the soldiers who were in the area at the time of the February 21 killings nor hospital workers who treated a girl who was wounded by soldiers there the previous day have been interviewed by investigators. I find this hard to believe, but if it is correct the government has much to answer for.

For 5 years, the United States has provided significant military aid to Colombia despite ongoing concerns about human rights. Several months ago, the

Secretary of State certified that the Colombian Government had met the human rights conditions in our law, and recommended the release of additional military aid. However, the report accompanying her certification also noted that ''[w]hile the human rights performance of many of the Army's units is improving, an exception is evidenced by continued accusations of human rights violations and collusion with paramilitaries against the Army's 17th Brigade, which operates in northern Colombia. These reportedly include some 200 allegations involving the peace community of San Jose de Apartado in 2000–2001 and, most recently, of involvement in the killings near San Jose de Apartado in February 2005. . . As a result of these allegations, the United States has informed the Government of Colombia that it will not consider providing assistance to the 17th Brigade until all significant human rights allegations involving the unit have been credibly addressed.''

While I might differ with the Secretary's decision to make the certification at the time she did, which coincidently occurred just hours before President Uribe's arrival at President Bush's ranch in Texas, I commend her decision to withhold aid to the 17th Brigade. It is noteworthy, however, that concerns about the 17th Brigade had been conveyed to the State Department well before this incident, including reports that its members were openly colluding with paramilitaries. Yet there is reason to believe that U.S. aid continued despite those reports.

This case presents the Bush administration with an important challenge. It shows that despite billions of dollars from the United States and lofty rhetoric about human rights, the Colombian Government's initial reaction to this despicable crime was not appreciably different from what we saw years ago. They denied responsibility and blamed the victims even before an investigation began, and some of the key witnesses may not even have been interviewed 8 months later.

This is unfortunate because there has been progress on human rights under President Uribe's government. Parts of the country are noticeably safer. The government reports a significant decline in violent crime. But labor leaders and human rights defenders are still threatened and killed, the judicial system remains sluggish, and impunity is more the rule than the exception. Clearly, much more needs to be done to protect human rights.

This case also presents a challenge for the Colombian Government to demonstrate, albeit belatedly, that it can respond with sympathy, with impartiality, and effectively to bring justice to the victims of a crime that epitomizes the worst of Colombia's conflict.

I am also told that the Office of the United Nations High Commissioner for Human Rights conducted its own investigation of the massacre, but that the Colombian Government has not requested a copy of the report of that investigation. If this is correct I urge the government to do so immediately and to release as much of the report to the public as possible without compromising the investigation.

This conflict has brought nothing but suffering to the Colombian people. It has caused the deaths of countless innocent civilians, uprooted millions from their homes, and perpetuated the trade in illegal drugs that has corrupted many sectors of society. The people of San Jose de Apartado, with the conflict raging around them, sought to insolate themselves from this danger by declaring themselves a peace community. That strategy failed, as one after another of their members was brutally murdered.

Before February 21, I was not aware of the many tragedies this community had already suffered. While I do know, as a former prosecutor, that some crimes are harder to solve than others, in Colombia, as in so many countries, political will is often what really matters. It is imperative that this case not be added to the long list of unsolved, unpunished crimes in San Jose de Apartado, or become part of the history of impunity in Colombia. Who ever was responsible must be brought to justice.

Mr. President, I also want to mention the demobilization of paramilitaries that is underway in Colombia. We all want these narco-terrorist organizations to be dismantled, their commanders punished, their illegally acquired assets seized, and their victims compensated. The Colombian Government is asking the United States for millions of dollars to help finance the demobilization, and we want to help.

I am concerned, however, because if the demobilization of the paramilitary unit located in the area of San Jose de Apartado is indicative of the way this process is unfolding, there are serious problems that need to be addressed. According to reports I have received, paramilitaries are engaging in the same threatening and violent behavior, they continue to collude with the army, and some have joined the army. Little has changed for the people in that area who continue to live in fear of losing their property and their lives. I hope the Colombian authorities who have been touting the success of the demobilization process will investigate these reports.

THE GREAT AMERICAN SMOKEOUT

Mr. SANTORUM. Mr. President, I would like to take a moment to acknowledge an important event that is taking place today in Philadelphia, PA and across the Nation—the 29th Annual American Cancer Society Great American Smokeout.

We are all aware that cancer is one of the greatest healthcare risks facing Americans today. For years, this disease has taken the lives of our families, our friends, and our neighbors. As a member of the bipartisan Senate Cancer Coalition, I certainly understand that there are few things that would have a greater impact on the quality of life, for millions throughout the world, than the eradication of this terrible disease.

Unfortunately, we are also all aware of the fact that we have not yet found a cure. And while scientists and researchers around the world work feverishly towards this lofty aspiration, the most important action we can take is the promotion of cancer prevention. The Great American Smokeout is a wonderful example of a successful program aimed at assisting those at great risk of developing cancer to change their ways. This annual event has, undoubtedly, saved lives.

Since the inaugural Great American Smokeout took place in 1976, this initiative has provided a powerful platform for the American Cancer Society to encourage Americans to stop smoking. This event, which urges Americans who take the unnecessary health risks associated with the use of tobacco products to band together and make a lifestyle change, is one of the most recognized awareness initiatives in the history of the American Cancer Society—and rightfully so. Rarely does any organization touch so many with its message in a single day as the American Cancer Society during the smokeout. And rarely is the intention of the message as important as reducing the number of Americans who use tobacco products.

I am also pleased that the American Cancer Society has chosen my home State to host this year's smokeout. Pennsylvania has a long history of working with the American Cancer Society, and in 2002, together with the Pennsylvania Department of Health, they established the Pennsylvania Free Quitline. This toll-free service, available 24 hours a day, 7 days a week, provides advice and counseling to those attempting to quit smoking. Studies have shown that smokers who take advantage of such services are twice as likely to successfully quit smoking. By choosing Pennsylvania as the host for one of their most important events, the society is reaffirming its commitment to decreasing the prevalence of tobacco use in my state—and, in turn, improving the health of all Pennsylvanians.

Mr. President, these types of efforts have helped the American Cancer Society develop a reputation as one of the most influential and effective participants in the fight to better the health of every American. The Great American Smokeout is a vital event put on by a truly impressive organization, and I thank the American Cancer Society for its leadership.

COLON CANCER SCREEN FOR LIFE ACT

Mr. NELSON of Nebraska. Mr. President, I rise in support of the Colon Cancer Screen for Life Act, S. 1010. Some

of its provisions were included in an amendment included in the reconciliation package. This legislation will increase the likelihood that Medicare beneficiaries will receive a colonoscopy screening examination which is proven to be the most effective way to detect and treat colorectal cancer.

Colorectal cancer is the No. 2 cancer killer in the United States today. This year, according to the American Cancer Society, approximately 145,000 new cases will be diagnosed and 56,000 Americans will die from colon cancer. We have the power to change these sobering statistics by increasing access to this lifesaving procedure. Although Congress passed a colonoscopy screening benefit for Medicare beneficiaries back in 1997, the percentage of seniors receiving a colonoscopy reportedly has increased by only an estimated 1 percent. A recent UCLA study, as discussed in an October 11 Wall Street Journal article, documents the continuing underutilization of screening colonoscopies. It points out that colorectal cancer screening rates still lag far behind those for cervical, breast and prostate cancer. As the Wall Street Journal article concludes, ''The results were particularly disturbing because 'we could eliminate this disease if America had the will,''' as the study's lead author noted.

One reason for the underutilization of colonoscopy screening in the Medicare population is rapidly declining rates of reimbursement for the procedure. Medicare reimbursement for colonoscopies performed in the outpatient setting has dropped by nearly one-third from the initial 1998 reimbursement rates. In the majority of States today, Medicaid payment rates actually exceed Medicare reimbursement for colonoscopy. This fact alone underscores the Medicare reimbursement problem is real. This legislation increases Medicare reimbursement for colorectal cancer-related procedures to assure more equitable reimbursement for physicians who absorb significant costs in providing these valuable services.

Another reason for this underutilization is that Medicare currently does not pay for a physician office visit prior to a screening colonoscopy, although it does pay for a physician office visit prior to a diagnostic colonoscopy. The procedures are identical—both involve the same amount of risk, so there is simply no reason why Medicare would pay for an office visit prior to one procedure and not the other. Because Medicare does not pay for this necessary office visit, many physicians must provide them for free. This amendment would fix this discrepancy by providing Medicare coverage for a preoperative visit or consultation prior to a screening colonoscopy, as it does for a diagnostic colonoscopy.

Every year, thousands of Americans needlessly die from colorectal cancer. We have the means to change this and we should do so. I appreciate our Senate colleagues joining in support of this important legislation.

NATIONAL ADOPTION DAY

Mr. JOHNSON. Mr. President, I rise today to acknowledge National Adoption Day on November 19, 2005. With over 118,000 children available for adoption out of the U.S. foster care system, I think it is crucial to celebrate those lawyers, social workers, officials, and, most importantly, parents who help get many children out of foster homes into adoptive families.

National Adoption Day was started in 2000 by the Alliance for Children's Rights, the Freddie Mac Foundation, and the Dave Thomas Foundation for Adoption and helped complete foster care adoptions in nine jurisdictions. National Adoption Day continued to grow and in 2001 completed adoptions in 17 jurisdictions. In 2002, the Casey Family Services, Children's Action Network, the Congressional Coalition on Adoption Institute and Target became National Adoption Day partners and helped 34 cities across the country finalize 1,350 adoptions. In 2003, 3,100 adoptions were completed. National Adoption Day 2004 was the biggest celebration to date, finalizing the adoptions of more than 3,400 children from foster care. It seems quite appropriate that as we celebrate Thanksgiving, we also celebrate the formation of new families through adoption.

As a member of the bipartisan Congressional Coalition on Adoption, I am committed to assisting children in the United States to find stable, loving and permanent homes. Additionally, I support the goals of National Adoption Day to encourage others to adopt children from foster care, to build stronger ties between local adoption agencies, courts, and adoption advocacy organizations, and to continue to research and learn more about families wanting to adopt and the children waiting to be adopted.

I am also proud that Members of the Senate continue to support ways to make adoption easier and more affordable. Since the cost of adoption can be very high, we ought to do what we can to lessen this initial burden for the exceptional people who provide caring homes for children. Adoption proceedings and legal fees for some domestic adoptions can cost more than $40,000. To ease some of this burden, Congress adopted a $10,000 tax credit for adoption expenses. If we ask individuals to care for and adopt children, we must provide some relief from the financial burdens associated with that care. The adoption tax credit is an effective vehicle to provide this relief.

The commitment of adoptive parents in South Dakota and throughout our country to provide children with safe, permanent, and loving homes will, of course, have a positive impact on their lives. As we celebrate National Adoption Day on November 19, 2005, I call on my colleagues to continue supporting efforts to make adoption easier for parents, children and other important players in the adoption process.

HONORING OUR ARMED FORCES

PRIVATE FIRST CLASS TYLER R. MACKENZIE

Mr. SALAZAR. Mr. President, I want to take a few moments of this body's time to remember a true fallen hero, a Coloradan that has been lost to us in defense of our freedoms.

Last week, on Veterans' Day, the family of PFC Tyler R. Mackenzie buried him back home in Weld County. A native of Evans, CO, Private First Class Mackenzie was killed in early November near Baghdad when an improvised explosive device detonated near his Humvee. He was only 20 years old, taken from his family and friends just a few days shy of his 21st birthday.

Tyler was a tower of a young man, a six-foot-seven-inch high school football player at Greeley West High School. Tyler's coaches remember him for having held himself to the highest standards and being his own toughest critic. He enjoyed the horticulture classes at Greeley West. He expected excellence from himself and refused to accept anything less.

After graduating Greeley West in 2003, Tyler went to work at his family's business, manufacturing kitchen cabinets. He also worked for the Greeley-Evans School District 6.

Tyler was a man of faith, active in his church. Tyler also had a sense of humor, and his older sister used to call him ''Monkey'' for his ability to climb across the rafters of the family's basement.

But seeking something else, perhaps a larger opportunity to give back to this Nation, Tyler joined the Army in January of this year. He became a member of the 1st Battalion, 502nd Infantry Regiment, 2nd Brigade Combat Team of the storied 101st Airborne Division that bravely halted the march of tyranny across Europe during World War II. Private First Class Mackenzie was following a long tradition of military service in his family: his two grandfathers had served in the Navy during World War II, and his father had served as a military police officer with the Army.

Private First Class Mackenzie completed basic training in May of this year and was deployed to Iraq on September 28. He had been in Iraq only 6 weeks before his tragic death.

Tyler is exactly the kind of young man we as a Nation are so fortunate to have serving in our Armed Forces. He was a young man of intellect, self-discipline, courage and concern. He joined the Army because he wanted to help, to serve his country as his father and grandfathers and so many others had before him. He wanted to ensure that Iraqis knew the full blessings of their new freedom and could share the same opportunities he had here.

Tyler's sacrifice on behalf of this Nation is a reminder to all of us of the

precious gift we have to live in such a country. To his parents, David and Julie, his sister Nicole and the entire Mackenzie family, this Nation humbly thanks you for Tyler. We are forever grateful for your sacrifice and his.

MARINE LANCE CORPORAL JEREMY P. TAMBURELLO

Mr. President, I wish to speak for a moment about a brave son of Westminster, CO, lost to us in the fighting in Iraq: Marine LCpl Jeremy P. Tamburello.

Lance Cpl. Tamburello was killed earlier this month when his military vehicle was struck by an improvised explosive device near Rutbah, Iraq. He was a member of the 1st Light Armor Reconnaissance Battalion, 1st Marine Division, I Marine Expeditionary Force, and was only 19 years old.

Jeremy was a straight-A high school student at Ranum High School in Adams County. Jeremy had a gift for science and dreams of serving his Nation in the United States Marine Corps before going on to pursue a degree in computer science.

When Jeremy announced his intention to join the Marine Corps, his father, Kevin tried at first to talk him out of it, warning him of the terrible risks of serving during this time of conflict in Iraq. Kevin suggested to his son that he pursue a computer science degree at a technical college.

Jeremy's response to his father was respectful, but firm: ''This is what I want to do, Dad. Sign the papers.''

And so in the summer of 2004, Jeremy Tamburello joined the Marine Corps and began his brave journey of service to America. This past August, he was deployed to Iraq. It was a challenge in which he was a firm believer. He cared about the future of the people of Iraq and about the sacrifices made by the over 3,000 Americans in the September 11th attacks. He wanted to serve his Nation and protect those freedoms that all too often so many of us take for granted and help bring them to the fledgling democracy of Iraq.

This Nation is blessed to have a young man like Lance Cpl. Tamburello. He served his country with honor and distinction, with a courage and conviction that makes us all so very proud. Lance Cpl. Tamburello did not seek glory or parade honors, but instead chose to humbly serve to help shine the blessings of freedom and liberty to those who had for too long languished behind a curtain of oppression.

To Jeremy's family, I can only offer the quiet and humble thanks of a grateful Nation. Jeremy exemplified the nobility and honor, courage and self sacrifice, that has made every American proud of his example. We shall not forget your sacrifice, nor his.

TRIBUTE TO STAFF SERGEANT KYLE B. WEHRLY

Mr. GRASSLEY. Mr. President, today I pay tribute to a true American hero, SSG Kyle B. Wehrly. On November 3, 2005, Staff Sergeant Wehrly was tragically killed in action during Operation Iraqi Freedom by an improvised explosive device outside of Ashraf, Iraq. He served with B Battery of the 2nd battalion, 123rd Field Artillery Regiment in the Army National Guard.

I request that all Americans join me today in honoring Staff Sergeant Wehrly. We should all remember his bravery, his compassion, and his final sacrifice to the cause of freedom. Throughout our history, great men and women have stood up and given their lives for their country, and it is with great sadness that we pay tribute to another brave American whose time with us was all too short.

Staff Sergeant Wehrly patriotically joined the National Guard when he was only a junior in high school and was sent to the Middle East in October 2004. Upon his arrival in Iraq, his father, Rev. Peter Wehrly of Springfield, IL, recalls that his son only wanted to be sent things he could give away to the Iraqi children. ''All he wanted was stuff for kids. Candy, flip-flops. . . . We had five boxes of stuff. He didn't want anything for himself,'' Reverend Wehrly said.

All those who knew Staff Sergeant Wehrly will greatly miss him. My prayers go out to his family and friends in their time of grief, his father Peter, his mother Nita, and his wife Janet. We should especially remember Staff Sergeant Wehrly's 6-year-old daughter, Kylee, who will unfortunately grow up with too few memories of her courageous and compassionate father. Our thoughts and prayers are with her and with the entire family. It is important to remind them and to remind all Americans that Staff Sergeant Wehrly did not die in vain but, rather, died protecting his country and protecting the freedom of countless individuals around the world. May he always be remembered as the true American hero that he was.

LANCE CORPORAL SCOTT ZUBOWSKI

Mr. BAYH. Mr. President, I rise today with a heavy heart and deep sense of gratitude to honor the life of a brave young man who grew up in North Manchester. Scott Zubowski, 20 years old, died on November 12 near Fallujah, Iraq when a roadside bomb exploded under the military vehicle in which he was riding. With his entire life before him, Scott risked everything to fight for the values Americans hold close to our hearts, in a land halfway around the world.

Remembered for his intelligence and honorable service, Scott was killed during his second tour of duty in Iraq. A 2003 graduate of Manchester High School, Scott enlisted in the Marine Corps shortly after graduation, inspired by his older brother's Marine service. Recently married to another Manchester graduate, Scott was set to return home before his 21st birthday in March. One of his classmates told the Muncie Star Press that ''Not only was he the smartest guy I've ever known, he was unique in a way for which words aren't good enough to actually describe who he was. But to those of us who knew him and were his friends, his presence made a profound impact in our lives that still continues to shape us today.''

Scott was killed while serving his country in Operation Iraqi Freedom. He was a member of the 2nd Batallion, 7th Marine Regiment, 1st Marine Division, I Marine Expeditionary Force. This brave young soldier leaves behind his wife, Klancey; his mother, Barbara Weitzel; his father, Richard Zubowski; and his brothers, David and Brian.

Today, I join Scott's family and friends in mourning his death. While we struggle to bear our sorrow over this loss, we can also take pride in the example he set, bravely fighting to make the world a safer place. It is his courage and strength of character that people will remember when they think of Scott, a memory that will burn brightly during these continuing days of conflict and grief.

Scott was known for his dedication to his family and his love of country. Today and always, Scott will be remembered by family members, friends and fellow Hoosiers as a true American hero and we honor the sacrifice he made while dutifully serving his country.

As I search for words to do justice in honoring Scott's sacrifice, I am reminded of President Lincoln's remarks as he addressed the families of the fallen soldiers in Gettysburg: ''We cannot dedicate, we cannot consecrate, we cannot hallow this ground. The brave men, living and dead, who struggled here, have consecrated it, far above our poor power to add or detract. The world will little note nor long remember what we say here, but it can never forget what they did here.'' This statement is just as true today as it was nearly 150 years ago, as I am certain that the impact of Scott's actions will live on far longer that any record of these words.

It is my sad duty to enter the name of Scott Zubowski in the official record of the United States Senate for his service to this country and for his profound commitment to freedom, democracy and peace. When I think about this just cause in which we are engaged, and the unfortunate pain that comes with the loss of our heroes, I hope that families like Scott's can find comfort in the words of the prophet Isaiah who said, ''He will swallow up death in victory; and the Lord God will wipe away tears from off all faces.''

May God grant strength and peace to those who mourn, and may God be with all of you, as I know He is with Scott.

LOCAL LAW ENFORCEMENT ENHANCEMENT ACT OF 2005

Mr. SMITH. Mr. President, I rise today to speak about the need for hate crimes legislation. Each Congress, Senator KENNEDY and I introduce hate crimes legislation that would add new categories to current hate crimes law,

sending a signal that violence of any kind is unacceptable in our society. Likewise, each Congress I have come to the floor to highlight a separate hate crime that has occurred in our country.

On October 22, 1998, in Madison, WI, Johnny L. Ellis attacked a man in what police say was a hate motivated crime. The victim, a man dressed in woman's clothing, was hit over the head with a full 40-ounce bottle of malt liquor, causing the bottle to break. Mr. Ellis then stabbed the victim in the stomach with the broken bottle, causing a wound that required 55 stitches. Throughout the ordeal Mr. Ellis referred to the victim as a ''he-she.''

I believe that our Government's first duty is to defend its citizens, in all circumstances, from threats to them at home. The Local Law Enforcement Enhancement Act is a major step forward in achieving that goal. I believe that by passing this legislation and changing current law, we can change hearts and minds as well.

ADDITIONAL STATEMENTS

RECOGNITION OF DANIEL PACK

• Mr. ALLARD. Mr. President, I rise today to congratulate Daniel Pack for receiving Colorado's Professor of the Year Award in 2005.

Daniel J. Pack, Ph.D., P.E. currently serves as a professor in the Department of Electrical Engineering at the U.S. Air Force Academy, Colorado Springs, CO. He has enjoyed a distinguished career as teacher, scholar, and professional peer. Daniel Pack's long list of accomplishments is evidence of his superb teaching ability, dedication to his students and commitment to U.S. Air Force Academy.

It is an honor for me to recognize this outstanding achievement of Daniel Pack. I commend him for his efforts to enhance the quality of education and scholarship. We are very grateful for all he does to make a difference. His efforts are greatly appreciated.

Now more than ever before, it is essential that our students receive a well-rounded education. We must be able to trust in the skills and talents of college professors like Daniel Pack if we are to produce the next generation of our nation's leaders.

Congratulations again to Daniel Pack, recipient of Colorado's Professor of the Year Award in 2005.•

TRIBUTE TO TOMMY F. GRIER

• Mr. ALLARD. Mr. President, I rise today to pay tribute to Tommy F. Grier, who is retiring as the director of the Division of Emergency Management for the State of Colorado after spending more than 12 years in the emergency management field.

Colorado has been honored to have Tommy, a leading expert in the field of operational design and preparedness, helping to establish Colorado as a leader in the areas of homeland security and emergency management. Prior to working for the State of Colorado, BG Tommy F. Grier served his country as an operations officer in the U.S. Army with assignments spanning the gamut of organizations from battalion though division level. He is a graduate of both the Naval War College and the Army War College.

Tommy had a long and distinguished military career, earning the Silver Star, the Legion of Merit with Oak Leaf Cluster, the Distinguished Flying Cross with three Oak Leaf Clusters, the Bronze Star with two Oak Leaf Clusters, Meritorious Service Medal with four Oak Leaf Clusters, Air Medal with ''V'' device and Numeral ''40'', the Army Commendation Medal, the master Parachutist Badge, Senior Army Aviator Badge, Special Forces Tab, and Army Staff Identification Badge.

He received his commission on August 16, 1962, through the U.S. Army Reserve Officers Training Corps. In July 1963, he was transferred to the Special Forces Training Group where he served as executive officer to the commander and then subsequently as an instructor.

In 1966, he began the first of two tours in Southeast Asia, serving as an armed helicopter section leader with the 121st Aviation Company in the Republic of Vietnam; as Operations Officer, 25th Aviation Battalion, 25th Infantry Division during the Cambodian Incursion, and he commanded the 238th Aerial Weapons Company in I Corps, II Corps, and Laos.

Grier's assignments included the Directorate, Office of the Deputy Chief of Staff for Operations in Washington, DC; Executive to the Director of Requirements; Senior Operations Officer, Joint Staff for Planning and Controlling for ''Jack Frost '79''—a full-scale military joint force readiness exercise; Chief, Infantry and Armor Branch, Enlisted Personnel Management Directorate, Military Personnel Center; and Operations Officer, 7th Infantry Division at Fort Ord, CA.

From July 1987 until his retirement from active duty, he served as Senior Advisor for the Colorado Army National Guard. Brigadier General Tommy F. Grier was appointed Assistant Adjutant general and Commander of the Army National Guard on Oct. 1, 1993. He retired from the Colorado Army National Guard in 1996.

While serving as the Assistant Adjutant General for Army and commander of the Colorado Army National Guard, Brigadier General F. Tommy Grier oversaw the participation of State troops and assets for World Youth Day 1993 where more than half a million pilgrims traveled to Denver to hear Pope John Paul II deliver his international message of peace. Tommy has also planned, directed, and participated in countless search and rescue missions both domestically and abroad.

With relentless emphasis on weapons of mass destruction, WMD, contingency planning, Tommy put Colorado in a very desirable position from a preparedness standpoint at a most appropriate time. In preparation for the Denver Summit of the Eight in 1997, he initiated and coordinated several innovative technical assistance visits from the Department of Defense Chemical and Biological Defense Command.

Tommy's remarkable insight undoubtedly set the benchmark for future programs. His WMD efforts in Colorado predate the Defense Against Weapons of Mass Destruction Act of 1996, also known as the Nunn-Lugar-Domenici amendment to the National Defense Authorization Act for fiscal year 1997, which stipulated the training of first responders to deal with WMD terrorist incidents.

Tommy worked closely with the Federal Emergency Management Agency, FEMA, to ensure affected local communities received the support necessary to facilitate recovery during numerous Colorado emergencies, including the 1997 and the 1999 floods, the 2002 wildfires, and the ''blizzard of the century'' in 2003.

But perhaps Tommy's greatest contribution to the State of Colorado has been his efforts in helping modernize the State's emergency preparedness efforts. Playing a key role in the set up of the new Colorado Multi-Agency Coordination Center, MACC, and State Emergency Operations Center, SEOC, his in-depth knowledge and operational expertise has helped craft a nationwide model of excellence.

Tommy and his wife Jan are the proud parents of three sons: Tom III, Jud, and Andy.

I commend Tommy Grier for his dedicated service to his country, his commitment to ensuring public safety, and his leadership in emergency management. Colorado is a better place because Tommy Grier chose to serve.•

TRIBUTE TO PEGGY SHADDUCK PALOMBI

• Mr. BUNNING. Mr. President, today I pay tribute to Peggy Shadduck Palombi of Lexington, KY, on being recognized as one of America's top professors in the 2005 U.S. Professors of the Year Program by the Council for Advancement and Support of Education.

The annual U.S. Professors of the Year Program was established in 1981 to reward outstanding professors for their dedication to teaching, commitment to students, and innovative instructional methods. It is the only national program to recognize college and university professors for their teaching skills.

Ms. Palombi, an associate professor at Transylvania University, in Lexington, KY, has been recognized by the Council for Advancement and Support of Education for her tireless work in exhibiting excellence at Transylvania University. Ms. Palombi sets an example of excellence for both colleagues

and students alike. She inspires her students to achieve academically and contribute to the community.

I now ask my fellow colleagues to join me in thanking Ms. Palombi for her dedication and commitment to the education of America's future. In order for our society to continue to advance in the right direction, we must have professors like Peggy Shadduck Palombi in our institutions of higher learning, in our communities, and in our lives. She is Kentucky at its finest.●

RECOGNIZING OF THE SOCIETY OF PHYSICS STUDENTS

● Mr. BUNNING. Mr. President, I pay tribute to the members of the Society of Physics Students, SPS, in the Department of Physics at the University of Louisville. The SPS will be celebrating 2005 as the World Year of Physics. The celebration will coincide with the 100 year anniversary of the publication of Albert Einstein's Special Theory of Relativity, Quantization of the Electromagnetic Field, and the Energy-Mass Relationship.

The University of Louisville chapter has been recognized for achievement by numerous national physics organizations. Their recent accomplishments include the Blake Lilly Prize for Outreach, a national SPS designation as Outstanding Chapter, along with the Marsh White Award for Education and Outreach from the Sigma Pi Sigma National Physics Honor Society. In light of these efforts, I ask my fellow colleagues to join me in recognizing the Society of Physics Students at the University of Louisville for their celebration of 2005 as the World Year of Physics.●

MICHIGAN STATE UNIVERSITY SESQUICENTENNIAL

● Mr. LEVIN. Mr. President, I rise to pay tribute to Michigan State University as they continue their 150th anniversary celebration. Throughout its history, Michigan State has made a tremendous contribution to the State of Michigan and to our Nation as a whole.

Michigan State University, or the Agricultural College of the State of Michigan as it was originally known, was created in 1855 by an act of the Michigan Legislature authorizing the creation of a school of higher education for agriculture. Two years later, Michigan State welcomed its first class of 63 students.

Nearly 100 years ago, President Teddy Roosevelt visited Michigan State and delivered a commencement speech to more than 20,000 students, faculty, and family of the graduates. In his speech, he stated ''The fiftieth anniversary of the founding of this college is an event of national significance, for Michigan was the first State in the Union to found this, the first agricultural college in America.''

While Michigan State was the first agricultural college in the United States, the curriculum studied by its students went far beyond agriculture and included classes in English, philosophy, and economics. This multifaceted approach to higher education produced well-rounded graduates and became the foundation of the educational philosophy later employed by the land grant colleges created by Congress in 1862. In addition, this philosophy marked an important change in the way higher education was perceived around the country. No longer was a college degree available only to society's elite, but also to the less privileged who made use of the practical education they received to improve their own standard of living as well as that of their family, community, and our Nation as a whole. The significance of this shift in thinking cannot be overstated and remains as important today as it was in the mid-1800s.

Of course, President Roosevelt's commencement address was only one of many significant events in the history of Michigan State University. The University welcomed its first female students in 1870 and presented 22 degrees to women by 1895. Michigan State's color barrier was broken in the early 1900s when it awarded its first degrees to an African-American man, William Thompson, in 1904 and an African-American woman, Myrtle Craig, in 1907.

Among the nearly 400,000 Michigan State Alumni worldwide are 16 Rhodes Scholars, a Pulitzer Prize winner, a Grammy award winner, two former Michigan Governors, a former U.S. Senator and Secretary of Energy, and the first women to represent the State of Michigan in the U.S. Senate, my colleague and friend, Debbie STABENOW. Michigan State now offers more than 200 programs of study and serves almost 45,000 current students from all 50 States and more than 120 foreign countries.

Among many other things, researchers at Michigan State University are credited with the development of leading cancer fighting drugs and the process of milk homogenization. Michigan State is currently home to the National Superconducting Cyclotron Laboratory, the leading rare isotope research facility in the country. The nuclear science research taking place at this facility is improving our knowledge of the elements that make up the world around us and could provide new medical breakthroughs, including new tools for the treatment of cancer. This research, primarily funded by the National Science Foundation and the university, has made Michigan State's nuclear physics doctoral program one of the most prestigious in the Nation.

I know my colleagues will join me in congratulating Michigan State University on 150 years of contributions to Michigan and the Nation as a whole. I would also like to wish Michigan State University, its students, faculty, alumni, and supporters good luck and continued success as they work to make the next 150 years as productive and full of accomplishment as previous 150 have been.●

● Ms. STABENOW. Mr. President, I rise today to celebrate the sesquicentennial, the 150th anniversary, of my alma mater, Michigan State University, MSU.

Located on the banks of the Red Cedar River, Michigan State University was the first agricultural college in the Nation and the prototype for land-grant institutions later established under the Morrill Act of 1862. In fact, in the mid 1950s, the U.S. Postal Service honored Michigan State University with a postage stamp commemorating it as the original land-grant university.

The land-grant philosophy is rooted in the principle to extend the values of education to all who seek it, and the Morrill Act grew out of a movement to bring benefits of education to rural areas. The original tract of land in 1855 for my nascent college, then known as the Agricultural College of the State of Michigan, consisted of 677 acres. Additional lands were purchased, and presently, the combined size of Michigan State lands—from its central campus to its research stations around the state—totals close to 20,000 acres across Michigan. As the campus has grown, so has Michigan State's imprint on the world through its commitment to its students and its offering of a quality, public higher education to all.

Academically, MSU students and colleges are highly regarded. The university has had more Rhodes Scholars than any other Big Ten Conference university in the past generation. U.S. News & World Report ranks 10 of MSU's graduate departments in the Top 10 in their field nationally. On an international note, the University's Study Abroad program is the largest of any public university in the Nation, offering more than 190 programs in more than 60 countries on all continents, including Antarctica. Furthermore, MSU is proud to have the highest percentage of in-state students among Michigan universities, with many of those who receive a bachelor's degree from MSU staying and working in the state.

The University has a notable and strong athletic history. In its 108-year football history, Michigan State has won six NCAA national football championships, while last year, both its men's and women's basketball teams made it to their respective and coveted Final Four tournaments. Sparty the Spartan is Michigan State University's fearless and loveable mascot, a figure known throughout the State of Michigan and recognized across the Nation as well. Sparty is the heart of Michigan State, forever supporting its teams, bringing smiles to young and old and continually uplifting all who meet him.

The State of Michigan has always been the ''first beneficiary'' of MSU's

high-quality academic programs and its global networks. But it is through those networks that MSU also is engaged with the world beyond the boundaries of its campus. Michigan State has built partnerships across the Nation and around the globe that fulfill its land-grant responsibilities to an international society and at the same time rebound benefits to Michigan, working in ways that will bring my constituents the greatest value and return, ways that will strengthen our communities, fuel our economy and provide all of our citizens with a better quality of life.

As I applaud today the deep history and strength of Michigan State University, I know its best days are still before it. From this Spartan, I wish Michigan State University a most wonderful sesquicentennial.●

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 Committee on Environment and Public Works.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

ENROLLED BILL SIGNED

At 9:34 a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 161. An act to provide for a land exchange in the State of Arizona between the Secretary of Agriculture and Yavapai Ranch Limited Partnership.

The enrolled bill was signed subsequently by the President pro tempore (Mr. STEVENS).

ENROLLED BILL SIGNED

At 10:55 a.m., a message from the House of Representatives, delivered by Ms. Chiappardi, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 2862. An act making appropriations for Science, the Departments of State, Justice, and Commerce, and related agencies for the fiscal year ending September 30,2006, and for other purposes.

The enrolled bill was signed subsequently by the President pro tempore (Mr. STEVENS).

At 12:22 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 562. An act to authorize the Government of Ukraine to establish a memorial on Federal land in the District of Columbia to honor the victims of the manmade famine that occurred in Ukraine in 1932–1933.

H.R. 866. An act to make technical corrections to the United States Code.

H.R. 1036. An act to amend title 17, United States Code, to make technical corrections relating to Copyright Royalty Judges, and for other purposes.

H.R. 1442. An act to complete the codification of title 46, United States Code, ''Shipping'', as positive law.

H.R. 1492. An act to provide for the preservation of the historic confinement sites where Japanese Americans were detained during World War II, and for other purposes.

H.R. 1790. An act to protect children and their parents from being coerced into administering a controlled substance in order to attend school, and for other purposes.

H.R. 3351. An act to make technical corrections to laws relating to Native Americans, and for other purposes.

H.R. 3647. An act to render nationals of Denmark eligible to enter the United States as nonimmigrant traders and investors.

H.R. 4133. An act to temporarily increase the borrowing authority of the Federal Emergency Management Agency for carrying out the national flood insurance program.

H.R. 4337. An act to amend the Internal Revenue Code of 1986 to provide for Gulf tax credit bonds and advance refundings of certain tax-exempt bonds, and to provide a Federal guarantee of certain State bonds.

The message also announced that the House has passed the following bill, without amendment:

S. 1234. An act to increase, effective as of December 1, 2005, the rates of compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for the survivors of certain disabled veterans.

The message further announced that the House has agreed to the following concurrent resolutions, in which it requests the concurrence of the Senate:

H. Con. Res. 230. Concurrent resolution expressing the sense of the Congress that the Russian Federation must protect intellectual property rights.

H. Con. Res. 268. Concurrent resolution expressing the sense of the Congress regarding oversight of the Internet Corporation for Assigned Names and Numbers.

At 2:36 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 72. Joint resolution making further continuing appropriations for the fiscal year 2006, and for other purposes.

At 4:36 p.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House, having had under consideration the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 3010) making appropriations for the Departments of Labor, Health and Human Services, and Education, and Related Agencies for the fiscal year ending September 30, 2006, and for other purposes, it was,

Resolved, that the House insist upon its disagreement to the amendment of the Senate.

MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 562. An act to authorize the Government of Ukraine to establish a memorial on Federal land in the District of Columbia to honor the victims of the manmade famine that occurred in Ukraine in 1932–1933; to the Committee on Energy and Natural Resources.

H.R. 866. An act to make technical corrections to the United States Code; to the Committee on the Judiciary.

H.R. 1036. To amend title 17, United States Code, to make technical corrections relating to Copyright Royalty Judges, and for other purposes; to the Committee on the Judiciary.

H.R. 1442. An act to complete the codification of title 46, United States Code, ''Shipping'', as positive law; to the Committee on the Judiciary.

H.R. 1492. An act to provide for the preservation of the historic confinement sites where Japanese Americans were detained during World War II, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 1790. To protect children and their parents from being coerced into administering a controlled substance in order to attend school, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

H.R. 3647. An act to render nationals of Denmark eligible to enter the United States as nonimmigrant traders and investors; to the Committee on the Judiciary.

The following concurrent resolutions were read, and referred as indicated:

H. Con. Res. 230. Concurrent resolution expressing the sense of the Congress that the Russian Federation must protect intellectual property rights; to the Committee on Foreign Relations.

H. Con. Res. 268. Concurrent resolution expressing the sense of the Congress regarding oversight of the Internet Corporation for Assigned Names and Numbers; to the Committee on Commerce, Science, and Transportation.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, November 17, 2005, she had presented to the President of the United States the following enrolled bills:

S. 161. An act to provide for a land exchange in the State of Arizona between the Secretary of Agriculture and Yavapai Ranch Limited Partnership.

S. 1713. An act to make amendments to the Iran Nonproliferation Act to 2000 related to International Space Station payments, and for other purposes.

S. 1894. An act to amend part E of title IV of the Social Security Act to provide for the making of foster care maintenance payments to private for-profit agencies.

EXECUTIVE AND OTHER COMMUNICATIONS

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

EC–4673. A communication from the Secretary, Judicial Conference of the United States, transmitting, a report of legislative proposals to amend sections 1441(a) and 1447 of title 28, United States Code, to amend 18 U.S.C. 3672, and to amend 28 U.S.C. 753 and the Judiciary Appropriations Act of 1991; to the Committee on the Judiciary.

EC–4674. A communication from Assistant Attorney General, Office of Legislative Affairs, Department of Justice, transmitting, pursuant to law, a report entitled ''Report to Congress on the Activities and Operations of the Public Integrity Section for 2004 (CORRECTED)''; to the Committee on the Judiciary.

EC–4675. A communication from the Executive Secretary and Chief of Staff, U.S. Agency for International Development, transmitting, pursuant to law, the report of a conformation in the position of Assistant Administrator, Bureau for Global Health and a conformation in the position of Assistant Administrator, Bureau for Economic Growth, Agriculture and Trade, received on November 15, 2005; to the Committee on Foreign Relations.

EC–4676. A communication from the Acting Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, a certification regarding the proposed transfer of major defense equipment valued at $14,000,000 or more from the Government of the Netherlands to the Government of Chile; to the Committee on Foreign Relations.

EC–4677. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of major defense equipment and defense articles in the amount of $50,000,000 or more to the Republic of Korea, Australia, Canada, United Kingdom, Israel, and Italy; to the Committee on Foreign Relations.

EC–4678. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of major defense equipment and defense articles in the amount of $14,000,000 or more to Mexico (Sentinel radars and Sentry command and control software); to the Committee on Foreign Relations.

EC–4679. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of defense articles or defense services sold commercially under a contract in the amount of $100,000,000 or more to the United Kingdom (AN/VIC–3 Vehicle Intercommunications System); to the Committee on Foreign Relations.

EC–4680. A communication from the Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to the Arms Export Control Act, the certification of a proposed license for the export of defense articles or defense services in the amount of $100,000,000 or more to Japan (F–15 aircraft spare parts and equipment and F100 engines); to the Committee on Foreign Relations.

EC–4681. A communication from the Acting Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the annual report for 2004 on United States Participation in the United Nations; to the Committee on Foreign Relations.

EC–4682. A communication from the Under Secretary of Commerce for Oceans and Atmosphere, Department of Commerce, transmitting, pursuant to law, the Northwest Atlantic Fisheries Convention Act 2004 Annual Report; to the Committee on Commerce, Science, and Transportation.

EC–4683. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting, pursuant to law, the report of a rule entitled ''Temporary Rule: Closure of the Regular B Days-at Sea Pilot Program'' (I.D. No. 100305A) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4684. A communication from the Acting Director, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting, pursuant to law, the report of a rule entitled ''Fisheries of the Northeastern United States; Summer Flounder Fishery; Quota Transfer'' (I.D. No. 053105F) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4685. A communication from the Deputy Assistant Administrator for Regulatory Programs, Office of Sustainable Fisheries, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, transmitting, pursuant to law, the report of a rule entitled ''Temporary Rule; Emergency Action for Paralytic Shellfish Poisoning Closure'' (RIN0648–AT48) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4686. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Change of Controlling Agency for Restricted Areas; HI'' ((RIN2120–AA66)(2005–0236)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4687. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of VOR Federal Airway V–343; MT'' ((RIN2120–AA66)(2005–0235)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4688. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Organization Designation Authorization Program'' (RIN2120–AH79) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4689. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Reservation System for Unscheduled Arrivals at Chicago's O'Hare International Airport'' ((RIN2120–AI47)(2005–0002)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4690. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Cheyenne, WY'' ((RIN2120–AA66)(2005–0239)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4691. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Modification of Class D and Class E Airspace; Salina Municipal Airport, KS'' ((RIN2120–AA66)(2005–0241)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4692. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Modification of Class E Airspace; Dodge City Regional Airport, KS'' ((RIN2120–AA66)(2005–0242)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4693. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Modification of Legal Description of Class D and Class E Airspace; Topeka, Forbes Field, KS'' ((RIN2120–AA66)(2005–0238)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4694. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment and Revision of Area Navigation Routes; Western United States'' ((RIN2120–AA66)(2005–0245)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4695. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Colored Federal Airways; AK'' ((RIN2120–AA66)(2005–0243)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4696. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment and Revision of Area Navigation Routes; Western United States'' ((RIN2120–AA66)(2005–0244)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4697. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Revision of Class E Airspace; Yakutat, AK'' ((RIN2120–AA66)(2005–0237)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4698. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E Airspace; Eagle, CO'' ((RIN2120–AA66)(2005–0240)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4699. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Establishment of Class E3 Airspace; Riverside March Field, CA'' ((RIN2120–AA66)(2005–0246)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4700. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Hazardous Materials Training Requirements'' (RIN2120–AG75) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4701. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Aviointeriors S.p.A., Series 312 Box Mounted Seats'' ((RIN2120–AA64)(2005–0503)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4702. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Airbus Model A320–111 Airplanes; and Model A320–200, A321–100, and A321–200 Series Airplanes'' ((RIN2120–AA64)(2005–0504)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4703. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Boeing Model 747–100, 747–100B, 747–100B SUD, 747–200B, 747–300, 747SP, and 747SR Series Airplanes'' ((RIN2120–AA64)(2005–0505)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

EC–4704. A communication from the Program Analyst, Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives; Boeing Model 727, 727C, 727–100, and 727–100C Series Airplanes'' ((RIN2120–AA64)(2005–0506)) received on November 15, 2005; to the Committee on Commerce, Science, and Transportation.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STEVENS, from the Committee on Commerce, Science, and Transportation, with amendments:

S. 1390. A bill to reauthorize the Coral Reef Conservation Act of 2000, and for other purposes (Rept. No. 109-182).

By Mr. STEVENS, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 2029. An original bill to amend and enhance certain maritime programs of the Department of Transportation, and for other purposes (Rept. No. 109-183).

By Mr. SPECTER, from the Committee on the Judiciary, without amendment:

S. 1354. A bill to establish commissions to review the facts and circumstances surrounding injustices suffered by European Americans, European Latin Americans, and Jewish refugees during World War II.

By Mr. ENZI, from the Committee on Health, Education, Labor, and Pensions, with an amendment in the nature of a substitute:

S. 1614. A bill to extend the authorization of programs under the Higher Education Act of 1965, and for other purposes.

By Mr. SPECTER, from the Committee on the Judiciary, with an amendment in the nature of a substitute:

S. 1789. A bill to prevent and mitigate identity theft, to ensure privacy, to provide notice of security breaches, and to enhance criminal penalties, law enforcement assistance, and other protections against security breaches, fraudulent access, and misuse of personally identifiable information.

By Mr. SPECTER, from the Committee on the Judiciary, without amendment:

S. 1961. A bill to extend and expand the Child Safety Pilot Program.

By Mr. INHOFE, from the Committee on Environment and Public Works, with amendments:

S. 2006. A bill to provide for recovery efforts relating to Hurricanes Katrina and Rita for Corps of Engineers projects.

By Mr. SHELBY, from the Committee on Banking, Housing, and Urban Affairs, without amendment:

S. 2032. An original bill to authorize the Secretary of Homeland Security to award grants to public transportation agencies to improve security, and for other purposes.

EXECUTIVE REPORT OF COMMITTEE

The following executive report of committee was submitted on November 16,2005:

By Mr. WARNER for the Committee on Armed Services:

Army nominations beginning with Brigadier General Robert P. French and ending with Colonel Terry L. Wiley, which nominations were received by the Senate and appeared in the Congressional Record on November 4,2005.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. STEVENS for the Committee on Commerce, Science, and Transportation.

*William E. Kovacic, of Virginia, to be a Federal Trade Commissioner for a term of seven years from September 26, 2004.

*J. Thomas Rosch, of California, to be a Federal Trade Commissioner for the term of seven years from September 26, 2005.

Coast Guard nominations beginning with Capt. William D. Baumgartner and ending with Capt. Brian M. Salerno, which nominations were received by the Senate and appeared in the Congressional Record on September 8, 2005.

By Mr. SPECTER for the Committee on the Judiciary.

Joseph Frank Bianco, of New York, to be United States District Judge for the Eastern District of New York.

Timothy Mark Burgess, of Alaska, to be United States District Judge for the District of Alaska.

Gregory F. Van Tatenhove, of Kentucky, to be United States District Judge for the Eastern District of Kentucky.

Eric Nicholas Vitaliano, of New York, to be United States District Judge for the Eastern District of New York.

Kristi Dubose, of Alabama, to be United States District Judge for the Southern District of Alabama.

W. Keith Watkins, of Alabama, to be United States District Judge for the Middle District of Alabama.

Virginia Mary Kendall, of Illinois, to be United States District Judge for the Northern District of Illinois.

Emilio T. Gonzalez, of Florida, to be Director of the Bureau of Citizenship and Immigration Services, Department of Homeland Security.

Catherine Lucille Hanaway, of Missouri, to be United States Attorney for the Eastern District of Missouri for the term of four years.

By Mr. ROBERTS for the Select Committee on Intelligence.

*Dale W. Meyerrose, of Indiana, to be Chief Information Officer, Office of the Director of National Intelligence.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

(Nominations without an asterisk were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

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

By Mr. BYRD (for himself and Mr. ROCKEFELLER):

S. 2028. A bill to provide for the reinstatement of a license for a certain Federal Energy Regulatory Commission project; to the Committee on Energy and Natural Resources.

By Mr. STEVENS:

S. 2029. An original bill to amend and enhance certain maritime programs of the Department of Transportation, and for other purposes; from the Committee on Commerce, Science, and Transportation; placed on the calendar.

By Mr. BIDEN:

S. 2030. A bill to bring the FBI to full strength to carry out its mission; to the Committee on the Judiciary.

By Mr. DAYTON:

S. 2031. A bill to provide for the valuation of employee personal use of noncommercial aircraft for purposes of Federal income tax inclusion; to the Committee on Finance.

By Mr. SHELBY:

S. 2032. An original bill to authorize the Secretary of Homeland Security to award grants to public transportation agencies to improve security, and for other purposes; from the Committee on Banking, Housing, and Urban Affairs; placed on the calendar.

By Mr. KENNEDY (for himself and Mr. KERRY):

S. 2033. A bill to amend the Wild and Scenic Rivers Act to designate segments of the Taunton River in the Commonwealth of Massachusetts as a component of the National Wild and Scenic Rivers System; to the Committee on Energy and Natural Resources.

By Mr. KENNEDY (for himself and Mr. KERRY):

S. 2034. A bill to direct the Secretary of the Interior to conduct a study to evaluate the significance of the Colonel James Barrett Farm in the Commonwealth of Massachusetts and assess the suitability and feasibility of including the farm in the National Park System as part of the Minute Man National Historical Park, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. CRAIG (for himself and Mr. CRAPO):

S. 2035. A bill to extend the time required for construction of a hydroelectric project in the State of Idaho, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. KENNEDY (for himself and Mr. KERRY):

S. 2036. A bill to designate the facility of the United States Postal Service located at 320 High Street in Clinton, Massachusetts, as the ''Raymond J. Salmon Post Office.''; to the Committee on Homeland Security and Governmental Affairs.

By Mr. SALAZAR:

S. 2037. A bill to establish the Sangre de Cristo National Heritage Area in the State of Colorado, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BURNS (for himself, Mr. BAUCUS, Mr. THUNE, Mr. GRASSLEY, Mr.

ENZI, Mr. THOMAS, Mr. BINGAMAN, Mr. JOHNSON, Mr. HARKIN, Mr. DORGAN, Mr. CONRAD, Mr. BYRD, and Mr. WYDEN):

S. 2038. A bill to amend the Agricultural Marketing Act of 1946 to restore the original deadline for mandatory country of origin; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DURBIN (for himself, Mr. SPECTER, Mr. DEWINE, Mr. LEAHY, Mr. KENNEDY, Mrs. FEINSTEIN, Mr. FEINGOLD, Mr. HARKIN, Mr. AKAKA, Mr. LAUTENBERG, Ms. CANTWELL, Mr. PRYOR, and Mr. KERRY):

S. 2039. A bill to provide for loan repayment for prosecutors and public defenders; to the Committee on the Judiciary.

By Mr. AKAKA (for himself, Mr. LAUTENBERG, and Mr. CARPER):

S. 2040. A bill to amend the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) to ensure that the Department of Homeland Security is led by qualified, experienced personnel; to the Committee on Homeland Security and Governmental Affairs.

By Mr. REID:

S. 2041. A bill to provide for the conveyance of a United States Fish and Wildlife Service administrative site to the city of Las Vegas, Nevada; to the Committee on Environment and Public Works.

By Mr. CHAMBLISS (for himself and Mr. HARKIN):

S. 2042. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to implement pesticide-related obligations of the United States under the international conventions or protocols known as the PIC Convention, the POPs Convention, and the LRTAP POPs Protocol; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DURBIN (for himself, Mr. COCHRAN, and Mr. SALAZAR):

S. 2043. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide grants for mass evacuation exercises for urban and suburban areas and the execution of emergency response plans, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

By Mr. LEVIN:

S. 2044. A bill to amend the Immigration and Nationality Act to resolve inequities in existing law by reducing the residency requirement for the naturalization of aliens with extraordinary ability so that such aliens may represent the United States at international events; to the Committee on the Judiciary.

By Mr. OBAMA:

S. 2045. A bill to provide incentives to the auto industry to accelerate efforts to develop more energy-efficient vehicles to lessen dependence on oil; to the Committee on Finance.

By Mr. DEWINE:

S. 2046. A bill to establish a National Methamphetamine Information Clearinghouse to promote sharing information regarding successful law enforcement, treatment, environmental, social services, and other programs related to the production, use, or effects of methamphetamine and grants available for such programs, and for the other purposes; to the Committee on the Judiciary.

By Mr. OBAMA (for himself and Mrs. CLINTON):

S. 2047. A bill to promote healthy communities; to the Committee on Health, Education, Labor, and Pensions.

By Mr. OBAMA:

S. 2048. A bill to direct the Consumer Product Safety Commission to classify certain children's products containing lead to be banned hazardous substances; to the Committee on Commerce, Science, and Transportation.

By Mr. DOMENICI (for himself, Mr. DORGAN, and Mr. TALENT):

S. 2049. A bill to improve the security of the United States borders and for other purposes; to the Committee on the Judiciary.

By Ms. SNOWE (for herself and Ms. CANTWELL):

S. 2050. A bill to establish a commission on inland waters policy; to the Committee on Commerce, Science, and Transportation.

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

S. 2051. A bill to extend eligibility for certain Federal benefits to citizens of the Freely Associated States; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

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

By Mr. CHAMBLISS (for himself and Mr. ISAKSON):

S. Res. 318. A resolution designating November 27, 2005, as ''Drive Safer Sunday''; to the Committee on the Judiciary.

By Ms. MIKULSKI:

S. Res. 319. A resolution commending relief efforts in response to the earthquake in South Asia and urging a commitment by the United States and the international community to help rebuild critical infrastructure in the affected areas; to the Committee on Foreign Relations.

By Mr. BURR (for himself, Mr. OBAMA, Mr. BINGAMAN, Mr. BOND, Mr. KERRY, Mr. SMITH, Mr. SALAZAR, Mr. SCHUMER, Mr. DURBIN, Ms. COLLINS, and Ms. SNOWE):

S. Con. Res. 65. A concurrent resolution recognizing the benefits and importance of Federally-qualified health centers and their Medicaid prospective payment system; to the Committee on Finance.

By Mr. VITTER:

S. Con. Res. 66. A concurrent resolution affirming that the intent of Congress in passing the National Wildlife Refuge System Improvement Act of 1997 was to allow hunting and fishing on public land within the National Wildlife Refuge System and declaring that the purpose of reserving certain land as public land is to make the land available to the public for reasonable uses; to the Committee on Energy and Natural Resources.

ADDITIONAL COSPONSORS

S. 31

At the request of Mr. BIDEN, his name was added as a cosponsor of S. 31, a bill to amend the Electronic Fund Transfer Act to extend certain consumer protections to international remittance transfers of funds originating in the United States, and for other purposes.

S. 132

At the request of Mr. SMITH, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 132, a bill to amend the Internal Revenue Code of 1986 to allow a deduction for premiums on mortgage insurance.

S. 333

At the request of Mr. SANTORUM, the names of the Senator from Mississippi (Mr. COCHRAN) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. 333, a bill to hold the current regime in Iran accountable for its threatening behavior and to support a transition to democracy in Iran.

S. 380

At the request of Ms. COLLINS, the names of the Senator from Michigan (Ms. STABENOW) and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of S. 380, a bill to amend the Public Health Service Act to establish a State family support grant program to end the practice of parents giving legal custody of their seriously emotionally disturbed children to State agencies for the purpose of obtaining mental health services for those children.

S. 441

At the request of Mr. SANTORUM, the name of the Senator from South Carolina (Mr. DEMINT) was added as a cosponsor of S. 441, a bill to amend the Internal Revenue Code of 1986 to make permanent the classification of a motorsports entertainment complex.

S. 863

At the request of Mr. CONRAD, the names of the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from California (Mrs. BOXER), the Senator from Georgia (Mr. CHAMBLISS), the Senator from Minnesota (Mr. COLEMAN), the Senator from Maine (Ms. COLLINS), the Senator from Texas (Mr. CORNYN), the Senator from Minnesota (Mr. DAYTON), the Senator from Wyoming (Mr. ENZI), the Senator from South Carolina (Mr. GRAHAM), the Senator from Iowa (Mr. GRASSLEY), the Senator from New Hampshire (Mr. GREGG), the Senator from Utah (Mr. HATCH), the Senator from Louisiana (Ms. LANDRIEU), the Senator from Indiana (Mr. LUGAR), the Senator from Florida (Mr. MARTINEZ), the Senator from Maryland (Ms. MIKULSKI), the Senator from Washington (Mrs. MURRAY), the Senator from Illinois (Mr. OBAMA), the Senator from Nevada (Mr. REID), the Senator from Wyoming (Mr. THOMAS) and the Senator from Oregon (Mr. WYDEN) were added as cosponsors of S. 863, a bill to require the Secretary of the Treasury to mint coins in commemoration of the centenary of the bestowal of the Nobel Peace Prize on President Theodore Roosevelt, and for other purposes.

S. 908

At the request of Mr. MCCONNELL, the name of the Senator from South Carolina (Mr. GRAHAM) was added as a cosponsor of S. 908, a bill to allow Congress, State legislatures, and regulatory agencies to determine appropriate laws, rules, and regulations to address the problems of weight gain, obesity, and health conditions associated with weight gain or obesity.

S. 1215

At the request of Mr. GREGG, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 1215, a bill to authorize the acquisition of interests in underdeveloped coastal areas in order better to ensure their protection from development.

S. 1418

At the request of Mr. ENZI, the names of the Senator from Maine (Ms. SNOWE), the Senator from Michigan (Ms. STABENOW) and the Senator from Pennsylvania (Mr. SANTORUM) were added as cosponsors of S. 1418, a bill to enhance the adoption of a nationwide inter operable health information technology system and to improve the quality and reduce the costs of health care in the United States.

S. 1496

At the request of Mr. CRAPO, the name of the Senator from South Dakota (Mr. THUNE) was added as a cosponsor of S. 1496, a bill to direct the Secretary of the Interior to conduct a pilot program under which up to 15 States may issue electronic Federal migratory bird hunting stamps.

S. 1508

At the request of Mr. FEINGOLD, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor of S. 1508, a bill to require Senate candidates to file designations, statements, and reports in electronic form.

S. 1513

At the request of Ms. MIKULSKI, the names of the Senator from New Jersey (Mr. CORZINE), the Senator from Connecticut (Mr. DODD), the Senator from Michigan (Mr. LEVIN) and the Senator from Pennsylvania (Mr. SPECTER) were added as cosponsors of S. 1513, a bill to reauthorize the HOPE VI program for revitalization of severely distressed public housing, and for other purposes.

S. 1631

At the request of Mr. DORGAN, the names of the Senator from Vermont (Mr. LEAHY) and the Senator from Wisconsin (Mr. KOHL) were added as cosponsors of S. 1631, a bill to amend the Internal Revenue Code of 1986 to impose a temporary windfall profit tax on crude oil and to rebate the tax collected back to the American consumer, and for other purposes.

S. 1719

At the request of Mr. INOUYE, the name of the Senator from Texas (Mrs. HUTCHISON) was added as a cosponsor of S. 1719, a bill to provide for the preservation of the historic confinement sites where Japanese Americans were detained during World War II, and for other purposes.

S. 1841

At the request of Mr. NELSON of Florida, the name of the Senator from Minnesota (Mr. DAYTON) was added as a cosponsor of S. 1841, a bill to amend title XVIII of the Social Security Act to provide extended and additional protection to Medicare beneficiaries who enroll for the Medicare prescription drug benefit during 2006.

S. 1883

At the request of Mr. HATCH, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1883, a bill to amend the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 to assist property owners and Federal agencies in resolving disputes relating to private property.

S. 1952

At the request of Mr. COLEMAN, the name of the Senator from Mississippi (Mr. COCHRAN) was added as a cosponsor of S. 1952, a bill to provide grants for rural health information technology development activities.

S. 1959

At the request of Mr. KERRY, the names of the Senator from Indiana (Mr. BAYH) and the Senator from Mississippi (Mr. COCHRAN) were added as cosponsors of S. 1959, a bill to direct the Architect of the Capitol to obtain a statue of Rosa Parks and to place the statue in the United States Capitol in National Statuary Hall.

S. 1961

At the request of Mr. BIDEN, the name of the Senator from Hawaii (Mr. AKAKA) was added as a cosponsor of S. 1961, a bill to extend and expand the Child Safety Pilot Program.

S. 1969

At the request of Mr. BAUCUS, the names of the Senator from New Mexico (Mr. BINGAMAN) and the Senator from Massachusetts (Mr. KERRY) were added as cosponsors of S. 1969, a bill to express the sense of the Senate regarding Medicaid reconciliation legislation to be reported by a conference committee during the 109th Congress.

S. 2015

At the request of Mr. ISAKSON, the name of the Senator from Georgia (Mr. CHAMBLISS) was added as a cosponsor of S. 2015, a bill to provide a site for construction of a national health museum, and for other purposes.

S. CON. RES. 55

At the request of Mr. CRAIG, the names of the Senator from Kentucky (Mr. BUNNING), the Senator from Montana (Mr. BURNS), the Senator from Oklahoma (Mr. COBURN), the Senator from Texas (Mrs. HUTCHISON) and the Senator from Connecticut (Mr. DODD) were added as cosponsors of S. Con. Res. 55, a concurrent resolution expressing the sense of the Congress regarding the conditions for the United States to become a signatory to any multilateral agreement on trade resulting from the World Trade Organization's Doha Development Agenda Round.

S. CON. RES. 60

At the request of Mr. TALENT, the names of the Senator from Illinois (Mr. DURBIN) and the Senator from Kansas (Mr. ROBERTS) were added as cosponsors of S. Con. Res. 60, a concurrent resolution designating the Negro Leagues Baseball Museum in Kansas City, Missouri, as America's National Negro Leagues Baseball Museum.

AMENDMENT NO. 2587

At the request of Mr. DORGAN, the name of the Senator from Vermont (Mr. LEAHY) was added as a cosponsor of amendment No. 2587 proposed to S. 2020, an original bill to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006.

AMENDMENT NO. 2596

At the request of Mr. DURBIN, the names of the Senator from Massachusetts (Mr. KERRY), the Senator from Washington (Mrs. MURRAY) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of amendment No. 2596 proposed to S. 2020, an original bill to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. BYRD (for himself and Mr. ROCKEFELLER):

S. 2028. A bill to provide for the reinstatement of a license for a certain Federal Energy Regulatory Commission project; to the Committee on Energy and Natural Resources.

Mr. BYRD. Mr. President, I ask unanimous consent that the text of my bill to reinstate a hydroelectric license for a Federal Energy Regulatory Commission project in Grafton, WV, be printed in the RECORD.

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

S. 2028

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

SECTION 1. REINSTATEMENT OF LICENSE FOR FEDERAL ENERGY REGULATORY COMMISSION PROJECT.

(a) IN GENERAL.—Notwithstanding the time period specified in section 13 of the Federal Power Act (16 U.S.C. 806) that would otherwise apply to project numbered 7307 of the Federal Energy Regulatory Commission, the Commission shall, on the request of the licensee for the project, in accordance with that section (including the good faith, due diligence, and public interest requirements of that section and procedures established under that section), extend the time required for commencement of construction of the project until December 31, 2007.

(b) APPLICABILITY.—Subsection (a) shall apply to the project on the expiration of any extension, issued by the Commission under section 13 of the Federal Power Act (16 U.S.C. 806), of the time required for commencement of construction of the project.

(c) REINSTATEMENT OF EXPIRED LICENSE.—If a license of the Commission for the project expires before the date of enactment of this Act, the Commission shall—

(1) reinstate the license effective as of the date of the expiration of the license; and

(2) extend the time required for commencement of construction of the project until December 31, 2007.

By Mr. BIDEN:

S. 2030. A bill to bring the FBI to full strength to carry out its mission; to the Committee on the Judiciary.

Mr. BIDEN. Mr. President, I rise today to introduce the Full Strength Bureau Initiative Act of 2005. This is a piece of legislation that I think is critically important to our national security. Over the past four years, we

have had numerous debates here in the Senate about what we need to do to protect ourselves from international terrorists. While I have disagreed with many of the specific decisions this Congress and President Bush have made, I do agree that we face a grave threat from radical fundamental terrorists. And, it should be a primary focus of our national security efforts. However, it simply makes no sense for us to spend all of our time worrying about terrorism if we turn a blind eye to traditional crime and the threat that it poses to our citizens. We simply have to be able to do both, and the legislation that I am introducing today will help do that.

Part of the response to address this threat has been to shift the primary function of the Federal Bureau of Investigation from investigating and capturing criminals to the prevention of terror attacks. I don't disagree that this is an appropriate shift in priorities, but, we haven't made the investments necessary for the FBI to shift priorities and meet its commitment to combat traditional crime. To address this concern, I am introducing legislation that will authorize funding for the FBI to hire an additional 1,000 agents. These agents will replace the ones that have been reassigned to counterterrorism cases and will help keep our communities safe. The cost—$160 million per year—is minimal when compared to the benefits it will provide. Its passage will help ensure that the FBI has the resources to achieve its counterterrorism priorities without neglecting its traditional crime fighting functions.

A 2004 Government Accountability Office found that the number of overall agents at the FBI has increased by only seven percent since 2001. During the same time, the overall percentage of agents dedicated to counterterrorism by twenty five percent—with 678 agents being permanently shifted from drug, white collar, and violent crime cases to counter-terror activities. In addition, we know that many agents are working on counterterrorism cases even if they have not been ''officially'' dedicated to that effort in a process know within the FBI as ''overburning.''

Ultimately, the GAO concluded, as it often does, that the impact on traditional crime was statistically inconclusive; however the report demonstrated many concerns. First, the report found that the FBI referred 236 counterterrorism matters to U.S. Attorneys for prosecution in fiscal year 2001, which ended three weeks after September 11. Two years later, in fiscal year 2003, the FBI referred 1,821 counterterrorism cases to U.S. Attorneys for prosecution—this is a 671 percent increase. During the same period of time, referrals for drug, whitecollar, and violent crime matters all declined by 39 percent, 23 percent, and 10 percent respectively. This statistically demonstrates that the reprogramming effort—while critical—has had an impact on the FBI's traditional crime fighting efforts.

In addition to investigating Federal crimes, the FBI also provides critical assistance to State and local law enforcement. Quite simply, the FBI has technical expertise and resources that are not available to many State and local agencies—especially smaller jurisdictions. These local agencies rely on the FBI to assist them on technical matters, and as the FBI continues to divert resources from criminal cases, a gap in overall law enforcement capabilities is developing. In order to preserve public safety and national security this is a gap that must be filled.

Unfortunately, local budget woes are making it impossible for local agencies to fill the slack. A recent survey indicated that 23 of 44 police agencies are facing an officer shortfall. The USA Today and the New York Times have reported officer shortages in New York, Cleveland, Los Angeles, Houston and others. In addition, I recently attended a Judiciary Committee hearing in Philadelphia and we heard testimony from the Philadelphia Chief of Police that he had lost 2,000 officers in recent years, and the Pittsburgh police chief reported that she had lost nearly ¼ of her officers and had to suspend her community policing programs and other crime prevention programs due to budget cuts.

In addition to local budget woes, the U.S. Congress continues to slash Federal assistance for State and local law enforcement. In this year's Commerce, Justice, State appropriations bill, the Congress cut roughly $300 million from the Justice Assistance Grant and completely eliminated the COPS hiring program. Any local sheriff or police chief will tell you how important this funding assistance is to their efforts, and the investments that we made in them over the past ten years helped drive down crime rates from all-time highs to the lowest levels in a generation. In addition, the COPS program has been statistically proven to reduce crime by the Government Accountability Office, and the Justice Assistance Grants are the primary grant programs used by local agencies to combat illegal drug use in their communities. I voted for this spending bill because it provided critical funding for the FBI and the Drug Enforcement Agency, but I remain very critical of the cuts to state and local law enforcement assistance and hope that the President and the Republican-led Congress will change course.

Unfortunately, these cuts and the FBI reprogramming of agents from crime to counter-terror cases is creating a perfect storm that I'm afraid will contribute to rising crime rates in the future. The good news is that the 2004 Uniform Crime Reports show that crime rates remain at historic lows. But, many criminologists have pointed out that many crime indicators should caution against complacency. Last year, there were over 16,000 murders throughout the United States, and police chiefs and sheriffs are reporting worrying signs of local youth violence. Indeed, a 2005 report by the FBI on youth gangs shows that gang activity is on the rise. Rather than pull-back, we need to re-double our effort to ensure that crime rates don't rise in the future and to push them even lower. I've often said that the safety of Nation's citizens should be the top priority of our Federal Government—this applies to combating international terrorists and traditional crime.

We spent a bulk of the nineties creating a Federal, State, and local partnership that helped make our Nation safer than it has been in a generation. This partnership is breaking down because the President and many in Congress feel that local crime is not a national priority. I couldn't disagree more. The safety of the American people is the most important priority that we have. It doesn't matter whether the threat comes from international terrorists, drug traffickers, or from the thug down the street. In my opinion, it is a terrible mistake to use the successes of the past ten years and the new focus on terrorism as an excuse to abandon our critical anti-crime responsibilities. We can—and we must do both. The American people are counting on us, and the legislation that I am introducing today will help ensure that we meet our commitment to the American people to make sure that they are safe from crime and terrorism.

By Mr. DURBIN (for himself, Mr. SPECTER, Mr. DEWINE, Mr. LEAHY, Mr. KENNEDY, Mrs. FEINSTEIN, Mr. FEINGOLD, Mr. HARKIN, Mr. AKAKA, Mr. LAUTENBERG, Ms. CANTWELL, Mr. PRYOR, and Mr. KERRY):

S. 2039. A bill to provide for loan repayment for prosecutors and public defenders; to the Committee on the Judiciary.

Mr. DURBIN. Mr. President, I rise today to introduce the Prosecutors and Defenders Incentive Act of 2005. I am honored to have the support and cosponsorship of Senator DEWINE with whom I have enjoyed working on similar measures in previous Congresses. I am further pleased that Senators SPECTER, LEAHY, KENNEDY, FEINGOLD, FEINSTEIN, AKAKA, CANTWELL, HARKIN, LAUTENBERG, PRYOR, and KERRY have also agreed to join me as original cosponsors of this legislation. Our bill is designed to encourage the best and the brightest law school graduates to enter public service as criminal prosecutors and public defenders by making a student loan repayment program available to them.

I am pleased that this legislation enjoys bipartisan support. I am anxious to work closely with Chairman SPECTER and Ranking Member LEAHY to advance it through the Judiciary Committee and secure its enactment by the full Senate.

Our proposed loan repayment program is supported by the American Bar Association, the National District Attorneys Association, the National Association of Prosecutor Coordinators, the National Legal Aid and Defender Association, and the American Council of Chief Defenders.

We can—and should—do more to help prosecutor and public defender offices compete with the higher salaries available in the private sector. In many instances, despite high aspirations and strong motivation to work in the public sector, many graduates find it economically impossible to pursue that career path due to the overwhelming burden of debt. The availability of student loan repayment can be a powerful incentive for attracting some of our most talented new lawyers to public service employment.

Many of today's law graduates are finishing law school owing staggering amounts of student loan debt. According to the American Bar Association, the median total cumulative educational debt for law school graduates in the class of 2004 was $97,763 for private schools and $66,810 for public schools. Educational loan debts represent a serious financial obligation which must be repaid. A default on any loan triggers serious consequences. Moreover, the looming obligation can impact career choices for many new graduates.

Many budding prosecutors and public defenders face a disheartening dilemma. On the one hand, they have a deep commitment to pursuing a career in public service. On the other hand, they need a level of income to meet the demands of exorbitant educational loan liabilities. This wrenching choice has not only personal impact but adverse implications for the legal profession and its commitment to ensuring access to justice for all citizens. And from an employer's perspective, comparatively low salaries and high debt make it extremely difficult to recruit and retain attorneys in prosecutor and public defender offices.

The results of a special study, ''Lifting the Burden: Law Student Debt as a Barrier to Public Service,'' published in August 2003 by the American Bar Association, reflects eight key findings, which I will describe in more specificity in my remarks.

First, law school tuition levels have skyrocketed. Second, the vast majority of law students borrow funds to finance their legal education. Third, law students are borrowing increasingly larger sums to finance their legal education. Fourth, public service salaries have not kept pace with rising law school debt burdens or private sector salaries. Fifth, high student debt bars many law graduates from pursuing public service careers. Sixth, many law graduates who take public service legal jobs must leave after they gain 2 to 3 years of experience. Seventh, public service employers report serious difficulty recruiting and retaining lawyers. And eighth, the legal profession and society pay a severe price when law graduates are shut out from pursuing public service legal careers due to high educational debt burden.

On the matter of skyrocketing tuition levels, since the early 1970s, there have been steep and persistent hikes in the costs of legal education and in the tuition rates law schools charge. Researchers found that tuition increased about 340 percent from 1985 to 2002 for private law school students and out-of-state students at public law schools. In state students at public law schools saw their tuition jump about 500 percent. During the period 1992–2002, the cost of living in the United States rose 28 percent while the cost of tuition for public law schools rose 134 percent for residents and 100 percent for nonresidents, and private law school tuition increased 76 percent.

In 1975, when private law school tuition averaged $2,525 and public law school tuition for in state residents was $700, the need to borrow to finance a legal education was not as prevalent or necessary. In 1990, when tuition was $11,680 for private institutions and $3,012 for public law schools, it was at least manageable. In 2002, the median law school annual tuitions were $24,920 for private law schools, $18,131 for nonresident students at public law schools, and $9,252 for resident students at public law schools.

A computation of the tuition rates of the 186 ABA-accredited law schools for 2004 reflects that charges for State residents at public law schools average $10,820 per year. For nonresidents attending public law schools, the average tuition amounts to $20,176 per year. Students attending private law schools pay an average of $25,603 per year.

Additional amounts for food, lodging, books, fees and personal expenses increase the costs for 3 years to more than $60,000 in almost all cases and well over $100,000 in many instances.

The vast majority of law students must borrow funds to finance their legal education. In 2002, almost 87 percent of law students borrowed to finance their legal education. That level remained consistent in 2004. Many of these students also carried unpaid debt from their undergraduate studies.

Law students are borrowing increasingly larger sums to finance their legal education. As tuition and other expenses of attending law school rose, more and more students found they needed to borrow to pay for law school. During the 1990s, the average amount students borrowed more than doubled. Today, the amount borrowed by many students exceeds $80,000.

Public service salaries have not kept pace with rising law school debt burdens or private sector salaries. Entry-level salaries for government or other public service position, have always been significantly lower than those in private practice.

Over the years since the mid-1970s, the median starting salaries in private practice have risen at a much faster pace than entry-level public service salaries. Between 1985 and 2002, the median starting salaries at private law firms rose by about 280 percent. Government lawyers, such as prosecutors and public defenders, saw their salaries increase by just 70 percent.

According to the 2004 Public Sector and Public Interest Attorney Salary Report, published in August 2004 by the National Association for Law Placement, Inc., the median entry-level salary for public defenders is $39,000; with 11 to 15 years of experience, the median is $65,000. The salary progression for State and local prosecuting attorneys is similar, starting at about $40,000 and progressing to $68,000–69,000 for those with 11 to 15 years of experience.

In August 2004, NALP also released the results of its tenth annual comprehensive survey of associate compensation in private sector law firms. According to the 2004 Associate Salary Survey Report, based on salary information as of April 1, 2004 provided by 599 offices, the median salary for first-year associates ranged from $65,000 in firms of 2 to 25 attorneys to $120,000 in firms of 500 attorneys or more, with a first-year median for all participating firms of $95,000. These figures evidence the stark reality of compensation differentials for those graduates electing to devote their skills to public service jobs as prosecutors and defenders.

High student debt bars many law graduates from pursuing public service careers. As law school tuition and student debt have sharply escalated, fewer and fewer law school graduates can afford to take the comparatively low-paying public service positions that are available in government agencies or with prosecutor, public defender, or legal services offices.

A national study of law school debt conducted by Equal Justice Works, the Partnership for Public Service, and the National Association for Law Placement found that law student debt prevented two-thirds of law student respondents from considering a public service career.

The report was based on a spring 2002 survey of graduating law students. Survey respondents included 1,622 students from 117 law schools representing 40 States, the District of Columbia, and Canada. Among the findings reported were the following: Overall, 66 percent of respondents stated that law school debt kept them from considering a public interest or government job. The percentage is higher among those who ultimately accepted jobs in small or large private firms, with 83 percent and 78 percent, respectively, stating that debt prevented them from seeking work with public interest organizations or the Federal Government.

Seventy-three percent of students who had not yet accepted a job when surveyed also indicated that they were disinclined to seek a public interest or government position due to heavy debt load. Providing $6,000 a year in available loan repayment assistance would

result in increased interest in a post graduate Federal Government job for 83 percent of student respondents.

Despite their high debt burden, some law graduates initially accept public service jobs. However, the magnitude of debt precipitates high turnover because many of these cannot repay loan obligations on a median starting salary of $36,000 and pay all their other remaining living expenses with the remaining $1,100 per month. Some who begin careers in public service, and who would like to remain, leave after a few years when they find their debts are too severely constraining on their hopes for making ends meet, much less raising children or saving for retirement.

Many public service employers report having a difficult time attracting the best qualified law graduates. Public service employers, such as prosecutor or public defender offices, have vacancies they cannot fill because new law graduates cannot afford to work for them. Alternatively, those who do hire law graduates find that, because of educational debt payments, those whom they do hire leave just at the point when they have acquired the experience to provide the most valuable services.

The legal profession and society pay a severe price when law graduates are shut out from pursuing public service legal careers due to high educational debt burden. Lawyers with dreams of serving their communities as prosecutors or public defenders are unable to use their skills to do so. And when governments cannot hire new lawyers or keep experienced ones, the ability to protect the public safety is challenged. The inability of poor and moderate-income persons to obtain legal assistance can result in dire consequences to those individuals and the communities in which they live.

Our bill, the Prosecutors and Defenders Incentive Act, is designed to help remedy some of these problems. Enacting this measure will help make legal careers in public service as prosecutors and public defenders in the criminal justice system more financially viable and attractive to law school graduates who have incurred significant financial obligations in acquiring their education.

Our proposal would establish, within the Department of Justice, a program of student loan repayment for borrowers who agree to remain employed for at least 3 years as public attorneys who are either State or local criminal prosecutors or State, local, or Federal public defenders in criminal cases. It would allow eligible attorneys to receive student loan debt repayments of up to $10,000 per year, with a maximum aggregate over time of $60,000.

Repayment benefits for such public attorneys would be made available on a first-come, first-served basis and subject to the availability of appropriations. Priority would be given to borrowers who received repayment benefits for the preceding fiscal year and have completed less than 3 years of the first required service period. Borrowers could enter into an additional agreement, after the required 3-year period, for a successive period of service which may be less than 3 years. It would cover student loans made, insured, or guaranteed under the Higher Education Act of 1965, including consolidation loans. Furthermore, it would extend to Federal public defenders the existing Perkins loan forgiveness program available for Federal prosecutors.

Our bill is modeled on the program for Federal executive branch employees which has been enjoying growing success. Federal law permits Federal executive branch agencies to repay their employees' student loans, up to $10,000 in a year, and up to a lifetime maximum of $60,000. In exchange, the employee must agree to remain with the agency for at least 3 years.

During fiscal year 2004, 28 executive branch agencies provided 2,945 Federal employees with more than $16.4 million in student loan repayments, as reported by the Office of Personnel Management in April 2005. This marked a 42-percent increase in the number of beneficiaries and a 79-percent increase in benefits over fiscal year 2003.

It is noteworthy that across the Federal Government in 2004, agencies used the loan repayment program most often to recruit and retain attorneys. In fiscal year 2004, 473 Federal lawyers received loan repayments, representing 16.1 percent of all employees who received the benefit.

The Securities and Exchange Commission provided the benefit to 239 lawyers, and the Justice Department distributed program benefits to 118 of its attorneys. According to the Office of Personnel Management's report, the Nuclear Regulatory Commission reported that the program has been of tremendous benefit in recruiting and retaining attorneys in its Honors Law Graduate Program. NRC commented that law school debt is continuing to rise—to more than $100,000 in some cases—and a gap exists between Federal and private law firm salaries. As a result, some quality candidates may rule out a career as an attorney in the Federal Government. NRC believes the Federal student loan repayment program helps the Commission overcome these obstacles.

I recently received a compelling letter from Jennifer Walsh, the assistant appellate defender for the State of Illinois. Her experiences portray in testamentary terms the real dilemmas encountered by perhaps thousands of attorneys desiring public service careers despite exorbitant student loan obligations.

To simply paraphrase Ms. Walsh's sentiments would diminish their impact, so I would like to quote some excerpts from her letter: ''I love being a public servant. . . . Helping those who cannot afford to help themselves isn't charity and it isn't socially progressive. It is justice and it has made me a better person. . . . However, the one problem that I have consistently had since becoming a public defender is getting my student loans paid. I have a debt burden over $110,000. . . . My student loan payments will soon exceed $950 a month. This represents about one-third of my monthly take-home pay. I cannot help pay the mortgage on my house. I cannot save for my two children's futures. During a financial crisis, my husband knows that he cannot look to me to help the family finances. . . . I am now faced with a Hobson's choice—do I fulfill the needs of my indigent clients or my struggling family? I absolutely, positively don't want to leave. But my responsibilities to my family and my student loan creditors make staying in the public sector feel selfish and irresponsible. Imagine that—working for the public good seems selfish and irresponsible because I cannot do what I love and, at the same time, repay what I owe.''

I appreciate Ms. Walsh's willingness to share her perspectives with me. By enacting and funding this legislation, we can take a meaningful step toward alleviating some of the financial burden for attorneys such as Ms. Walsh who choose careers as criminal prosecutors and public defenders.

I know there are many other law graduates who, like Jennifer Walsh, want to apply their legal training and develop their skills in the public sector, but are deterred by the weight of student loan obligations. Passage of our legislation will help them make their careers dreams a reality. I urge its swift adoption.

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. 2039

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 ''Prosecutors and Defenders Incentive Act of 2005''.

SEC. 2. LOAN REPAYMENT FOR PROSECUTORS AND DEFENDERS.

Title I of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3711 et seq.) is amended by adding at the end the following:

''PART HH—LOAN REPAYMENT FOR PROSECUTORS AND PUBLIC DEFENDERS

''SEC. 2901. GRANT AUTHORIZATION.

''(a) PURPOSE.—The purpose of this section is to encourage qualified individuals to enter and continue employment as prosecutors and public defenders.

''(b) DEFINITIONS.—In this section:

''(1) PROSECUTOR.—The term 'prosecutor' means a full-time employee of a State or local agency who—

''(A) is continually licensed to practice law; and

''(B) prosecutes criminal cases at the State or local level.

''(2) PUBLIC DEFENDER.—The term 'public defender' means an attorney who—

''(A) is continually licensed to practice law; and

''(B) is—

''(i) a full-time employee of a State or local agency or a nonprofit organization operating under a contract with a State or unit of local government, that provides legal representation to indigent persons in criminal cases; or

''(ii) employed as a full-time Federal defender attorney in a defender organization established pursuant to subsection (g) of section 3006A of title 18, United States Code, that provides legal representation to indigent persons in criminal cases.

''(3) STUDENT LOAN.—The term 'student loan' means—

''(A) a loan made, insured, or guaranteed under part B of title IV of the Higher Education Act of 1965(20 U.S.C. 1071 et seq.);

''(B) a loan made under part D or E of title IV of the Higher Education Act of 1965(20 U.S.C. 1087a et seq. and 1087aa et seq.); and

''(C) a loan made under section 428C or 455(g) of the Higher Education Act of 1965(20 U.S.C. 1078–3 and 1087e(g)) to the extent that such loan was used to repay a Federal Direct Stafford Loan, a Federal Direct Unsubsidized Stafford Loan, or a loan made under section 428 or 428H of such Act.

''(c) PROGRAM AUTHORIZED.—The Attorney General shall establish a program by which the Department of Justice shall assume the obligation to repay a student loan, by direct payments on behalf of a borrower to the holder of such loan, in accordance with subsection (d), for any borrower who—

''(1) is employed as a prosecutor or public defender; and

''(2) is not in default on a loan for which the borrower seeks forgiveness.

''(d) TERMS OF AGREEMENT.—

''(1) IN GENERAL.—To be eligible to receive repayment benefits under subsection (c), a borrower shall enter into a written agreement that specifies that—

''(A) the borrower will remain employed as a prosecutor or public defender for a required period of service of not less than 3 years, unless involuntarily separated from that employment;

''(B) if the borrower is involuntarily separated from employment on account of misconduct, or voluntarily separates from employment, before the end of the period specified in the agreement, the borrower will repay the Attorney General the amount of any benefits received by such employee under this section;

''(C) if the borrower is required to repay an amount to the Attorney General under subparagraph (B) and fails to repay such amount, a sum equal to that amount shall be recoverable by the Federal Government from the employee (or such employee's estate, if applicable) by such methods as are provided by law for the recovery of amounts owed to the Federal Government;

''(D) the Attorney General may waive, in whole or in part, a right of recovery under this subsection if it is shown that recovery would be against equity and good conscience or against the public interest; and

''(E) the Attorney General shall make student loan payments under this section for the period of the agreement, subject to the availability of appropriations.

''(2) REPAYMENTS.—

''(A) IN GENERAL.—Any amount repaid by, or recovered from, an individual or the estate of an individual under this subsection shall be credited to the appropriation account from which the amount involved was originally paid.

''(B) MERGER.—Any amount credited under subparagraph (A) shall be merged with other sums in such account and shall be available for the same purposes and period, and subject to the same limitations, if any, as the sums with which the amount was merged.

''(3) LIMITATIONS.—

''(A) STUDENT LOAN PAYMENT AMOUNT.—Student loan repayments made by the Attorney General under this section shall be made subject to such terms, limitations, or conditions as may be mutually agreed upon by the borrower and the Attorney General in an agreement under paragraph (1), except that the amount paid by the Attorney General under this section shall not exceed—

''(i) $10,000 for any borrower in any calendar year; or

''(ii) an aggregate total of $60,000 in the case of any borrower.

''(B) BEGINNING OF PAYMENTS.—Nothing in this section shall authorize the Attorney General to pay any amount to reimburse a borrower for any repayments made by such borrower prior to the date on which the Attorney General entered into an agreement with the borrower under this subsection.

''(e) ADDITIONAL AGREEMENTS.—

''(1) IN GENERAL.—On completion of the required period of service under an agreement under subsection (d), the borrower and the Attorney General may, subject to paragraph (2), enter into an additional agreement in accordance with subsection (d).

''(2) TERM.—An agreement entered into under paragraph (1) may require the borrower to remain employed as a prosecutor or public defender for less than 3 years.

''(f) AWARD BASIS; PRIORITY.—

''(1) AWARD BASIS.—Subject to paragraph (2), the Attorney General shall provide repayment benefits under this section on a first-come, first-served basis, and subject to the availability of appropriations.

''(2) PRIORITY.—The Attorney General shall give priority in providing repayment benefits under this section in any fiscal year to a borrower who—

''(A) received repayment benefits under this section during the preceding fiscal year; and

''(B) has completed less than 3 years of the first required period of service specified for the borrower in an agreement entered into under subsection (d).

''(g) REGULATIONS.—The Attorney General is authorized to issue such regulations as may be necessary to carry out the provisions of this section.

''(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $25,000,000 for fiscal year 2006 and such sums as may be necessary for each succeeding fiscal year.''.

By Mr. AKAKA (for himself, Mr. LAUTENBERG, and Mr. CARPER):

S. 2040. A bill to amend the Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) to ensure that the Department of Homeland Security is led by qualified, experienced personnel; to the Committee on Homeland Security and Governmental Affairs.

Mr. AKAKA. Mr. President, I rise today to introduce legislation that will help ensure our homeland security is in the hands of the best and the brightest leaders. The Department of Homeland Security Qualified Leaders Act will establish minimum qualification standards for most Senate-confirmed positions in the Department of Homeland Security, DHS. I am joined by Senators LAUTENBERG and CARPER in introducing this bill, and I thank them for their support.

Hurricane Katrina and the resignation of Under Secretary Michael Brown have raised concerns regarding the experience and qualifications of political appointees in the Federal Government. Mr. Brown had minimal emergency management experience prior to joining the Federal Emergency Management Agency, FEMA. Despite Mr. Brown's 3 years as a senior official at FEMA, the agency faltered during Hurricane Katrina under his leadership.

While not all of the Government's failures to prepare for and respond to Hurricane Katrina can be placed at Mr. Brown's doorstep, leadership matters. At a recent Homeland Security and Governmental Affairs Committee hearing on the Coast Guard's response to Hurricane Katrina, Cpt Bruce C. Jones, the commanding officer of Coast Guard Air Station New Orleans, testified, ''What counts most in a crisis, is not the plan, it's leadership. Not processes, but people. And not organizational charts, but organizational culture.''

According to Captain Jones, one of the reasons the Coast Guard was able to respond immediately and perform efficiently during Hurricane Katrina is because the leaders of the Eighth District and Sector New Orleans were able to make quick, sound decisions while following a predetermined plan. Quick thinking and good judgement cannot be written into a plan.

In addition, DHS, with its multitude of management challenges, requires leaders with strong management experience. Over the past few years, the DHS Inspector General and the Government Accountability Office have cited DHS for poor contract management, ineffective financial systems, and major human capital challenges. Moreover, DHS is in the process of implementing its Second Stage Review, an attempt to better organize the Department to meet its many missions. As Secretary Michael Chertoff overhauls the Department to create what will hopefully be a structure that serve DHS well for years to come, he needs senior officials who have experience running large organizations—people who know which systems and chains of command work and which do not. Good managers are needed across the Federal Government, but nowhere are they more needed than in an infant agency.

Comptroller General David Walker said in a September 21, 2005, interview with Federal Times that ''for certain positions, given the nature of the position, there should be statutory qualification requirements for any nominee.'' I agree.

For these reasons, we must ensure that the right people are leading DHS. Our bill delineates requirements for Senate-confirmed positions based on their compensation under the Executive Schedule. The most senior officials, those in Executive Level II and III, will be required to possess at least 5 years of management experience, 5 years of experience in a field relevant to the position for which the individual

is nominated, such as customs intelligence, or cybersecurity, and a demonstrated ability to manage a substantial staff and budget. These requirements will apply to the following positions: the Under Secretary of Science and Technology; the Under Secretary of Preparedness; the Director of FEMA; and the Under Secretary of Management. The Secretary and Deputy Secretary of Homeland Security are exempt from this bill.

Executive Level IV positions will be required to possess significant management experience, at least 5 years of experience in a field relevant to the position for which the individual is nominated, and a demonstrated ability to manage a substantial staff and budget. These position include the Assistant Secretary for Immigration and Customs Enforcement; the Assistant Secretary for Customs and Border Patrol; the Assistant Secretary for Border and Transportation Security Policy; the Assistant Secretary for Plans, Programs, and Budgets; the Director of the Office State and Local Government Coordination and Preparedness; the Director of U.S. Citizenship and Immigration Services; the Inspector General; the Chief Financial Officer; the U.S. Fire Administrator; and the General Counsel. The bill exempts the commandant of the Coast Guard from this section since requirements for selection of the commandant already exist in law.

I believe that any program or agency will succeed or fail based on leadership. This is especially true at Federal agencies, which need senior leaders with management skills and subject matter expertise. Our bill is a step in the right direction, and I urge my colleagues to join us in passing this important legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD following my statement.

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

S. 2040

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 ''Department of Homeland Security Qualified Leaders Act of 2005''.

SEC. 2. FINDINGS.

Congress finds that—

(1) the Department of Homeland Security, a large organization comprised of 180,000 employees and 22 legacy agencies, has a complex mission of securing the homeland from man-made and natural disasters;

(2) the Department and the agencies within require strong leadership from proven managers with significant experience in their respective fields; and

(3) the majority of positions requiring Senate confirmation at the Department do not have minimum qualifications.

SEC. 3. QUALIFICATIONS OF CERTAIN SENIOR OFFICERS.

(a) IN GENERAL.—The Homeland Security Act of 2002 (6 U.S.C. 101 et seq.) is amended by inserting after section 103 the following:

''SEC. 104. QUALIFICATIONS OF CERTAIN SENIOR OFFICERS.

''(a) EXECUTIVE SCHEDULE LEVEL II OR III POSITIONS.—

''(1) POSITIONS.—This subsection shall apply to any position in the Department that—

''(A) requires appointment by the President, by and with the advice and consent of the Senate; and

''(B) is at level II or III of the Executive Schedule under section 5313 or 5314 of title 5, United States Code, (including any position for which the rate of pay is determined by reference to level II or III of the Executive Schedule).

''(2) ADDITIONAL QUALIFICATIONS.—In addition to any other qualification applicable to a position described under paragraph (1), any individual appointed to such a position shall possess—

''(A) at least 5 years of executive leadership and management experience in the public or private sector;

''(B) at least 5 years of significant experience in a field relevant to the position for which the individual is nominated; and

''(C) a demonstrated ability to manage a substantial staff and budget.

''(b) EXECUTIVE SCHEDULE LEVEL IV POSITIONS.—

''(1) POSITIONS.—This subsection shall apply to any position in the Department that—

''(A) requires appointment by the President, by and with the advice and consent of the Senate; and

''(B) is at level IV of the Executive Schedule under section 5315 of title 5, United States Code, (including any position for which the rate of pay is determined by reference to level IV of the Executive Schedule).

''(2) ADDITIONAL QUALIFICATIONS.—In addition to any other qualification applicable to a position described under paragraph (1), any individual appointed to such a position shall possess—

''(A) significant executive leadership and management experience in the public or private sector;

''(B) at least 5 years of significant experience in a field relevant to the position for which the individual is nominated; and

''(C) a demonstrated ability to manage a substantial staff and budget.

''(c) EXCEPTIONS.—This section shall not apply to the position of—

''(1) the Secretary;

''(2) the Deputy Secretary of Homeland Security; or

''(3) the Commandant of the Coast Guard.

''(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to lessen any qualification otherwise required of any position.

''(e) SENSE OF CONGRESS.—It is the sense of Congress that individuals nominated by the President for the positions of Secretary and Deputy Secretary of Homeland Security should possess significant management experience and expertise in a relevant field because of the significant level of responsibility entrusted to these individuals.''.

(b) TECHNICAL AND CONFORMING AMENDMENT.—The table of contents in section 1 of the Homeland Security Act of 2002 (6 U.S.C. 101) is amended by inserting after the item relating to section 103 the following:

''Sec. 104. Qualifications of certain senior officers.''.

By Mr. REID:

S. 2041. A bill to provide for the conveyance of a United States Fish and Wildlife Service administrative site to the city of Las Vegas, Nevada; to the Committee on Environment and Public Works.

Mr. REID. Mr. President, I rise today to introduce the Ed Fountain Park Expansion Act. This legislation would transfer approximately eight acres of Federal land to the city of Las Vegas to allow for the expansion of one of the city's most popular parks.

Ed Fountain Park is one of the best known and well-used parks in the city of Las Vegas. Located in a mature part of the city, adjacent to the city's oldest golf course, Ed Fountain Park has provided recreational opportunities for generations of local residents. For many years it has been home to Pop Warner football practices, youth soccer games, and family picnics and reunions. On any given day or night, a multitude of activities are taking place at the park, many of which are associated with the numerous nonprofit organizations that utilize the park's resources.

The city of Las Vegas contacted my office several months ago to express their desire to expand Ed Fountain Park by acquiring land adjacent to the park that served as the site of the local administrative offices for the Bureau of Land Management, BLM, and U.S. Fish and Wildlife Service. The property was vacated by both Federal land management agencies several years ago after they relocated to a larger, multijurisdictional facility in the northwest part of the Las Vegas Valley.

The property to be acquired by the city is technically classified as part of the Desert National Wildlife Refuge Complex and is currently under the jurisdiction of the Fish and Wildlife Service. The parcel in question, however, is many miles away the actual wildlife refuge and sits as a vacant urban lot. The former administrative offices that were housed on the land were placed there many decades ago when this area was considered to be in the outskirts of town. Now, after years of unprecedented growth, this land is surrounded by well-established neighborhoods. The site also contains a single empty historical structure that would be part of the conveyance.

Were the property under the jurisdiction of the BLM, as is usually the case in the Las Vegas Valley, the property could have been transferred administratively under the authority of the Recreation and Public Purposes Act. But because it is the property of the Fish and Wildlife Service, legislation is needed to transfer ownership of the property from the Fish and Wildlife Service to the city.

This legislation provides the city with maximum flexibility to use the parcel to expand Ed Fountain Park, to build new athletic fields, to develop a community center, or any combination of these uses. All of these potential uses are in the public interest and provide important justification for conveying the land to the city at no cost.

I look forward to working with the distinguished chairman and ranking

member of the Environment and Public Works Committee to move this legislation forward in a timely manner.

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. 2041

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 ''Ed Fountain Park Expansion Act ''.

SEC. 2. DEFINITIONS.

In this Act:

(1) ADMINISTRATIVE SITE.—The term ''administrative site'' means the parcel of real property identified as ''Lands to be Conveyed to the City of Las Vegas; approximately, 7.89 acres'' on the map entitled ''Ed Fountain Park Expansion'' and dated November 1, 2005.

(2) CITY.—The term ''City'' means the city of Las Vegas, Nevada.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior, acting through the Director of the United States Fish and Wildlife Service.

SEC. 3. CONVEYANCE OF UNITED STATES FISH AND WILDLIFE SERVICE ADMINISTRATIVE SITE, LAS VEGAS, NEVADA.

(a) IN GENERAL.—The Secretary shall convey to the City, without consideration, all right, title, and interest of the United States in and to the administrative site for use by the City—

(1) as a park; or

(2) for any other recreation or nonprofit-related purpose.

(b) ADMINISTRATIVE EXPENSES.—As a condition of the conveyance under subsection (a), the Secretary shall require that the City pay the administrative costs of the conveyance, including survey costs and any other costs associated with the conveyance.

(c) REVERSIONARY INTEREST.—

(1) IN GENERAL.—If the Secretary determines that the City is not using the administrative site for a purpose described in paragraph (1) or (2) of subsection (a), all right, title, and interest of the City in and to the administrative site (including any improvements to the administrative site) shall revert, at the option of the Secretary, to the United States.

(2) HEARING.—Any determination of the Secretary with respect to a reversion under paragraph (1) shall be made—

(A) on the record; and

(B) after an opportunity for a hearing.

By Mr. CHAMBLISS (for himself and Mr. HARKIN):

S. 2042. A bill to amend the Federal Insecticide, Fungicide, and Rodenticide Act to implement pesticide-related obligations of the United States under the international conventions or protocols known as the PIC Convention, the POPs Convention, and the LRTAP POPs Protocol; to the Committee on Agriculture, Nutrition, and Forestry.

Mr. CHAMBLISS. Mr. President, today, Senator HARKIN and I are introducing the POPs, LRTAP POPs and PIC Implementation Act of 2005. This bill would amend the Federal Insecticide, Fungicide and Rodenticide Act (FIFRA) to implement the United States' pesticide-related obligations under the Stockholm Convention on Persistent Organic Pollutants (POPs Convention), the Aarhus Protocol on Persistent Organic Pollutants to the Geneva Convention on Long Range Transboundary Air Pollution (LRTAP POPs Protocol) and the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (PIC Convention).

POPs are certain chemicals that are toxic, persist in the environment for an extended period of time and can bioaccumulate in the human food chain. POPs have been linked to adverse health effects on humans and animals. Due to their persistent characteristics and ability to circulate globally, POPs that are released in one part of the world can travel to neighboring regions and negatively affect environments where they are not produced or used.

The United States has taken a leading role in reducing and eliminating the use POPs. For example, in the late 1970s, the United States prohibited the manufacture of new PCBs and severely restricted the use of remaining stocks. And over the past 35 years, the United States has had a strong regulatory process that restricted the production and use of dangerous pesticides. Even prior to signing the POPs Convention, the United States prohibited the sale of all the POPs pesticides initially targeted by the convention.

In 2001, President George W. Bush signed the POPs Convention. Its ultimate goal is the safe management of hazardous chemicals. Over time, the convention will help bring an end to the production and use of dangerous pollutants around the world and to positively affect the U.S. environment and public health.

Specifically, the convention requires all signatory nations to stop the production and use of 12 listed POPs, including DDT, PCBs and dioxins. Parties to the convention also agree to control sources of POPs by-products to reduce releases and provide for the safe handling and disposal of POPs in an environmentally sound manner. The convention includes a science-based procedure to allow other POPs to be added and provides technical and financial assistance to help developing countries manage and control POPs.

In 1998, the United States and members of the United Nations Economic Commission for Europe (UN-ECE) negotiated a regional protocol on POPs under the auspices of the Convention on Long Range Transboundary Air Pollution (LRTAP). Informally, the agreement is called the LRTAP POPs Protocol. The goal of the protocol is to eliminate production and reduce emissions of POPs in North America and Europe.

The LRTAP POPs Protocol was the basis for the POPs Convention. The two agreements are similar in purpose, except that the LRTAP treaty is regional and it does not include trade restrictions or the technical and financial assistance available to developing nations under the POPs Convention. Also, the LRTAP POPs Protocol includes four additional chemicals to the 12 listed in the POPs Convention.

In 1998, the PIC Convention established an information-sharing process to promote cooperative efforts among the parties to the convention regarding trade in chemicals. The process is designed to help nations decide whether to allow a chemical to be imported. Basically, the PIC Convention provides for prior notification to potential importing countries by nations exporting chemicals that have been banned or severely restricted in the exporting country. Countries exporting the chemicals listed in the convention must generally ensure that the importing country has consented to import the chemical.

The bill we are introducing today would prohibit the sale, distribution, use, production or disposal of any listed POPs pesticides or LRTAP POPs pesticide. It would establish notice and reporting procedures to ensure the American public is aware of potential actions and decisions made by the parties to the conventions. The bill also would add new export reporting and labeling requirements to ensure compliance with U.S. obligations under the PIC Convention.

In order for the United States to become a party to the conventions, the Senate must ratify the POPs and PIC Conventions. Congress also must pass implementing legislation. This bill does not include a ratification resolution and it does not amend the Toxic Substances Control Act.

At this time, the United States is not a party to the conventions and does not have a seat at the negotiating table. This weak position hampers the ability of our technical experts and negotiators to protect our leadership role in international pesticide policy and regulation. Our observer-only status also limits our ability to participate in the critical decisions that affect U.S. businesses and economic interests and our environment and public health. The delay in ratifying the conventions serves to marginalize us.

The U.S. delegation was unable to fully participate in the first meeting of parties to the POPs Convention held in May 2005 in Punta del Este, Uruguay. The next meeting of the parties to the POPs Convention is May 2006. I urge my colleagues to ratify the conventions and pass implementing legislation so that the United States can reclaim its rightful place as a world leader in the safe management of hazardous chemicals.

I look forward to working with my colleagues on the Senate Foreign Relations Committee and the Environment and Public Works Committee on this matter.

Mr. HARKIN. Mr. President, today I am pleased to join with Chairman CHAMBLISS in introducing legislation to implement the Stockholm Convention on Persistent Organic Pollutants, the

LRTAP POPs Protocol, and the Rotterdam PIC Protocol. These three agreements provide an international framework for controlling and eliminating the use of chemicals that have the greatest potential for long-term environmental damage. These persistent organic pollutants, or POPs, are chemicals that do not easily break down in the environment. As a result, they tend to move across international boundaries and bio-accumulate—in other words, they travel up the food chain. This legislation modifies existing U.S. law under the Federal Insecticide, Fungicide and Rodenticide Act, FIFRA, to bring us into compliance with these agreements with regard to chemicals used in agriculture. Implementation of the agreements will also require modification of the Toxic Substances Control Act, TSCA.

These conventions and protocols have already entered into force. But at this point, though the United States is a signatory to all of them, we have not ratified them. All of the chemicals that are listed in the agreement are already banned or tightly controlled under U.S. law, but the Stockholm Convention's Review Committee just met in Geneva and further meetings are planned, and decisions are being made without our delegation able to fully participate as a party to the agreement. The United States needs to ratify the convention in order to have a voice in this process.

Our goal in writing this legislation is narrow. It has not been our intention to open up FIFRA as part of this process, but only to craft those changes compelled by our international commitments. That is not to say that FIFRA is perfect or could not be improved and strengthened—only that this is not the occasion to launch into changing the domestic law beyond the narrow goal of compliance with these agreements.

Some have urged that this measure provide for automatic processes triggered by the decisions of the review committee overseeing the Stockholm Convention. For instance, if the review committee lists a chemical, they would have the United States automatically take steps to regulate or ban the chemical domestically. I have sympathy with that approach, and I would hope that our existing environmental laws would be used to restrict the use of such a chemical before international action, as they have with all the initial chemicals listed in the Stockholm Convention.

But that is not what is called for in the Stockholm Convention. The convention that this legislation will implement does not compel parties to adopt new chemicals added to the convention in future years. Instead, the parties are allowed to opt in to the convention's restrictions. The legislation we are introducing today would allow for any information or studies generated as part of the international process to be used as part of a domestic regulatory action on the chemical, but would not provide an automatic process that compelled the Environmental Protection Agency, EPA, to take action. In essence, we are allowing the EPA to move forward and take action on a chemical if the case made in the international review for a ban is strong, and not make EPA reinvent the wheel and generate new data to back up their conclusions, while at the same time, not mandating EPA action to ban or regulate a chemical. This legislation strikes a fair balance and one that is consistent with the limited goal we have in this process to bring FIFRA into compliance with our international obligations.

The most controversial aspects of this legislation are the provisions that deal with the process by which new chemicals are brought under the convention's control. It is critically important that the position of the United States in the international regulation of chemicals take into account the views of all parties—pesticide manufacturers, farmers, environmental scientists, State regulators—everyone who has a stake in the process.

Under the Stockholm Convention, the process of listing new POPs chemicals follows a three-part process. The review committee determines whether a chemical satisfies the agreed screening criteria in the convention; if the criteria are satisfied, a risk profile is prepared; if on the basis of the risk profile, it is determined that global action is required, the committee or parties would consider listing the chemical.

In each of these stages, the U.S. position should be informed by formal notice and comment periods as provided in existing law. The Federal notice and comment process is open, well developed, and well understood by stakeholders in the process. If this process is optional, there is the risk that the U.S. position could be formed without taking into account important views. While nothing in this legislation dictates that any particular position in this established process be taken by the administration, there is a requirement that the administration use this process to collect information to inform its position in the international body regarding any particular chemical.

The administration's draft of this legislation gave the EPA Administrator permission to initiate a notice and comment period but did not require it. The argument for this position was a constitutional claim that the executive's authority over negotiations with other nations includes a right to rely on whatever information that the president chooses to use. The ''remedy'' for negotiating a faulty treaty, according to the letter received from the Department of Justice, is for the Senate to refuse to consent to the treaty.

This position is not consistent with existing Federal law and is impractical particularly in a process like this one, where the negotiation in question would never be subject to ratification by the Senate. My concern with this constitutional theory resulted in an exchange of correspondence last year, when this bill was being drafted by then-Chairman COCHRAN.

I wrote to then-Administrator Michael Leavitt at the EPA, asking for a written explanation of the administration's position on this issue. This resulted in two letters, one from Administrator Leavitt on behalf of the EPA dated March 25, 2004, and one from Assistant Attorney General William Moschella on behalf of the Department of Justice dated March 25, 2004. Finally, I requested an analysis of the constitutional issues raised by this provision from the American Law Division of the Congressional Research Service and received a memorandum dated March 30, 2004. I will offer all of these letters and the CRS memorandum for inclusion in the RECORD at the end of my statement.

Having reviewed all this material, I find that the administration's position is not well supported, and I would urge the Senate to reject any effort to include it in this legislation. The CRS memorandum on the EPA draft summarizes the state of the law as follows:

Stated succinctly, the separation of powers doctrine ''implicit in the Constitution and well established in case law, forbids Congress from infringing upon the Executive Branch's ability to perform its traditional functions.'' The Supreme Court has established that in determining whether an act of Congress has violated the doctrine, ''the proper inquiry focuses on the extent to which it prevents the Executive Branch from accomplishing its constitutionally assigned functions.''

The memo goes on to state that it is ''difficult to see how a mandatory notice and comment requirement would implicate this traditional executive function.'' The memorandum concludes that ''it does not appear that a mandatory notice and comment requirement would present any substantive separation of powers concerns.'' Clearly, there is no merit to the Justice Department's contention that mandatory notice and comment would be an unconstitutional intrusion into the President's exclusive prerogative over foreign policy. Clearly, future steps taken domestically to carry out these international agreements should be informed by the views of all stakeholders and build the record through the notice and comment procedure for domestic implementation of any international action. This legislation makes the right choice by mandating notice and comment.

I appreciate the opportunity to work with Chairman CHAMBLISS on this legislation, and with our committee's previous chair, Senator COCHRAN, whose staff worked tirelessly to develop this legislation. I am hopeful that we can work together with the other body to reach agreement on implementing legislation along the lines of this bill,

that will clear the way for ratification of the Stockholm Convention.

I ask unanimous consent to include in the RECORD a letter to Administrator Michael Leavitt, his response from March 25, 2004, the response to the same letter by William Moschella on behalf of the Justice Department, and the memorandum of law from the Congressional Research Service.

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

COMMITTEE ON AGRICULTURE,
NUTRITION, AND FORESTRY,
Washington, DC, February 12, 2004.

Hon. MICHAEL LEAVITT,
Administrator, Environmental Protection Administration, Washington, DC.

DEAR ADMINISTRATOR LEAVITT: Thank you for your note asking for my help in passing legislation to implement the Stockholm Protocols. I certainly want to be helpful in that regard and support moving implementing legislation quickly that will enhance the ability of the Environmental Protection Agency to eliminate the threat that persistent organic pollutants (POPs) pose to our environment.

As we move forward on this legislation, I believe it is important to regulate not only the so-called ''dirty dozen'' POPs that are explicitly controlled by the Stockholm Protocols, but also to improve your agency's ability to address these types of pollutants through the EPA's regulatory system as expeditiously as possible, with opportunities for public participation and comment. This public participation and comment is particularly important to inform the agency in its evaluation of potential new pollutants brought before the review committee formed by this legislation.

One version of proposed implementing legislation would provide for mandatory notice and comment periods to allow public input at each of the three stages of the review committee process. The most recent draft of the legislation put forward by the EPA, however, makes each of these notice and comment periods fully subject to the agency's discretion. It has also been asserted that if Congress required the agency to provide a notice and comment period based on action of the international body, it would unconstitutionally impinge on our national sovereignty. This is a novel constitutional analysis that I would like to understand better before this legislation moves forward.

I request that, prior to our Committee taking up this issue, you provide me with any legal analysis, legal opinions, and citations to any legal authority supporting the proposition that Congress cannot require the EPA to hold notice and comment periods in response to the actions of an international body. I know that you are as committed as I am to move this legislation expeditiously, and I look forward to receiving this information soon.

Again, I look forward to working with you on this matter and want to help in any way I can to assist you in your work of improving our nation's environment.

Sincerely,

TOM HARKIN,
Ranking Democratic Member.

UNITED STATES ENVIRONMENTAL
PROTECTION AGENCY,
Washington, DC, March 25, 2004.

Hon. TOM HARKIN,
Ranking Member, Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Washington, DC.

DEAR SENATOR HARKIN: Thank you very much for your letter of February 12, 2004. I appreciate your willingness to support the legislative efforts of the Administration to allow the United States to become a Party to the Stockholm Convention on Persistent Organic Pollutants, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade and the Protocol on Persistent Organic Pollutants to the 1979 Convention on Long-Range Transboundary Air Pollution.

In your letter, you noted a particular interest in the discretionary notice and comment procedures contained within the Administration's proposed legislation to implement the FIFRA-related obligations of the three environmental treaties referenced above. The Administration's proposal does not make these notice and comment procedures mandatory, and you requested additional information about the constitutional concerns that underlie that decision. I asked my staff to organize a meeting for the Department of Justice to discuss its constitutional concerns with your legislative assistants and to answer any questions. I understand that meeting occurred on March 3, 2004.

As you know, the Stockholm Convention creates an international ''Persistent Organic Pollutants Review Committee'' to evaluate whether various substances should be added or removed from the Convention's coverage. The United States expects to play a strong role at the international meetings of the Review Committee, and, as you note in your letter, the United States could use the notice and comment procedures under the proposed bill to ''allow public input at each of the three stages of the review committee process.''

U.S. stakeholders will no doubt have a great deal of expertise about proposed pollutants brought before the international review committee, and the Administration proposal specifically includes notice and comment procedures to allow the Executive branch to take advantage of this knowledge. The statutory notice and comment procedures are precatory, however, because the Department of Justice has advised the Administration that it has concluded that a mandatory consultation requirement would raise constitutional concerns with respect to the President's authority to conduct negotiations with other nations. I have forwarded your letter to the Department of Justice to respond to you more specifically on this point.

I do, however, agree with the concern behind your letter that ''public participation and notice and comment is particularly important to inform the agency in its evaluation of potential new pollutants brought before the review committee.'' The constitutional concerns that are presented by a mandatory requirement could be avoided by fully authorizing the Executive Branch to gather information from the public, but not requiring the Executive Branch to exercise that authority. In order to ensure that the public is well informed about events that are taking place internationally, and to provide an opportunity for the consideration of public comment in the event that the Administration does not execute the discretionary notice and comment procedures, my staff has included a new section in the legislation that I transmitted to you on February 25.

In this section, there is a mandatory requirement that the Administration publish a semiannual federal register notice that provides a full description of the events occurring at the international level and any domestic regulatory actions that have been initiated. Because this requirement is based on the calendar, relates to information that is publicly available, and is not linked to decisions in the international process, it does not raise the same constitutional concerns. This new provision also obligates the Environmental Protection Agency to consider comments received as a result of these semiannual federal register notices. I will be interested in your reaction to this proposal, which I believe addresses our respective concerns.

I appreciate the reiteration of your commitment to passing this legislation and to completing the necessary steps for the United States to deposit its instrument of consent to join these three very important multilateral environmental treaties. I look forward to working with you. If you have any further questions or concerns, please contact me or your staff may contact Peter Pagano in EPA's Office of Congressional and Intergovernmental Relations, at (202) 564–3678.

Sincerely,

MICHAEL O. LEAVITT.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF LEGISLATIVE AFFAIRS,
Washington, DC, March 25, 2004.

Hon. TOM HARKIN,
Ranking Member, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, DC.

DEAR SENATOR HARKIN: The EPA has forwarded to the Department of Justice your letter dated February 12, 2004, regarding legislation proposed by the Administration to implement the Stockholm Convention on Persistent Organic Pollutants, the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade, and the Protocol on Persistent Organic Pollutants to the 1979 Convention on Long-Range Transboundary Air Pollution.

Specifically, you are interested in the discretionary notice and comment procedures contained within the Administration's proposed legislation to implement the FIFRA-related obligations of the three environmental treaties referenced above. At the request of the Department of Justice, the Administration's proposal does not make these consultations mandatory, and you requested additional information about the constitutional concerns underlying that decision.

The Stockholm Convention creates an international ''Persistent Organic Pollutants Review Committee'' to evaluate whether various substances should be added to, or removed from, the Convention's coverage. Also, as you note in your letter, the notice and comment procedures under the proposed bill would ''allow public input at each of the three stages of the review committee process.'' The statutory notice and comment procedures are precatory, however, because a mandatory consultation requirement would raise constitutional concerns.

The Executive branch has sole authority over the United States' negotiations with other nations. *See, e.g.,* Letter to Edmond Charles Genet, from Thomas Jefferson, Secretary of State (1793), reprinted in 9 The Writings of Thomas Jefferson 256 (Andrew A. Lipscomb ed., 1903) (''[T]he President of the United States. . . being the only channel of communication between this country and foreign nations, it is from him alone that foreign nations or their agents are to learn what is or has been the will of the nation.''). The Supreme Court has long concurred in this understanding of the President's power, noting that this exclusive authority extends throughout the entire ''field of negotiation.'' *See United States* v. *Curtiss-Wright Corp.,* 299 U.S. 304,319 (1936) (''In this vast external realm, with its important, complicated, delicate, and manifold problems, the President

alone has the power to speak or listen as a representative of the nation. He makes treaties with the advice and consent of the Senate; but he alone negotiates. Into the field of negotiation the Senate cannot intrude; and Congress itself is powerless to invade it.''). *See also New York Times Co.* v. *United States,* 403 U.S. 713, 728 (1971) (Stewart, J., concurring) (''In the governmental structure created by our Constitution, the Executive is endowed with enormous power in the two related areas of national defense and international relations.''); *United States* v. *Louisiana,* 363 U.S. 1, 35 (1960) (the President is ''the constitutional representative of the United States in its dealings with foreign nations''); *Earth Island Inst.* v. *Christopher,* 6 F.3d 648, 652–54 (9th Cir. 1993); *Sanchez-Espinoza* v. *Reagan,* 770 F.2d 202, 210 (D.C. Cir. 1985) (Scalia, J.) (''[B]road leeway'' is ''traditionally accorded the Executive in matters of foreign affairs.'').

Within this constitutional framework, statutes cannot direct the President to vote a certain way in an international forum, and they cannot require that the President consult with specific private organizations as he prepares to cast such a vote. Congress can certainly assist the President in his intentional negotiations by providing him with the authority to gather information from private citizens, cf. *New York Times Co.,* 403 U.S. at 729–30, but it remains for the President to decide how much, if any, additional information is needed and what should be done with it. If a proposed treaty is ill-informed, then the Constitution provides the remedy: the Senate may refuse to concur in that document. Joseph Story, 3 Commentaries on the Constitution of the United States §1507 (1833) (''The President is the immediate author and finisher of all treaties; and all the advantages, which can be derived from talents, information, integrity, and deliberate investigation on the one hand, and from secrecy and despatch on the other, are thus combined in the system. But no treaty, so formed, becomes binding upon the country, unless it receives the deliberate assent of two thirds of the Senate.''). What Congress may not do is direct, through legislation, how the President exercises his exclusive power to negotiate.

The Administration's concerns over legislation that would mandate consultation with Congress or with private parties in connection with the conduct of international negotiations are not new. Similar concerns were raised by the Department of Justice under President Clinton, President George H. W. Bush, and President Reagan. In each case, the Department objected to legislative proposals that would have required that the Executive branch consult in the context of international negotiations. For example, during the Clinton administration, the Department of Justice objected to legislative proposals that would have directed the Executive branch to consult with interested parties prior to negotiating trade agreements or prior to taking a position before the World Trade Organization. In 1991, the Department advised that the United States Trade Representative could not be required to periodically consult with interested parties on the progress of international trade negotiations. During the Reagan Administration, the Department wrote to Senator Lowell Weicker explaining that a proposed consultation requirement was objectionable because any provision that would require that the Executive branch disclose information that might interfere with the success of international negotiations would be subject to a valid claim of executive privilege. Presidents of both parties have also noted concerns about appropriations legislation containing similar provisions, and have stated that they would interpret such provisions not to intrude into this exclusive constitutional power over international negotiations. *See* Statement on Signing the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2001 36 Weekly Comp. Pres. Doc. 2809–10 (Nov. 13, 2000) (Statement of President Clinton) (''Certain provisions of the Act could interfere with my sole constitutional authority in the area of foreign affairs by directing or burdening my negotiations with foreign governments and international organizations . . . I will not interpret these provisions to limit my ability to negotiate and enter into agreements with foreign nations.''); Statement on Signing the Foreign Operations, Export Financing, and Related Programs Appropriations, 2002, 38 Weekly Comp. Pres. Doc. 49–50 (Jan. 10, 2002) (Statement of President Bush) (objecting to . provision ''which purports to direct the Secretary of State to consult certain international organizations in determining the state of events abroad'' and noting this and other provisions ''shall be construed consistent with my constitutional authorities to conduct foreign affairs, participate in international negotiations, and supervise the Executive Branch'').

In the pending legislation, the Department concluded that a mandatory requirement for ''public participation and comment'' would raise similar constitutional concerns and therefore recommended that more precatory language be used.

That said, the Department does not take issue with the general belief that ''public participation and notice and comment is particularly important to inform the [Administration] in its evaluation of potential new pollutants brought before the review committee.'' The constitutional concerns that are presented by a mandatory consultation requirement can be avoided by fully authorizing the Executive Branch to gather information from the public, but not requiring the Executive Branch to exercise that authority. To ensure that the public is well informed about events that are taking place internationally, and to provide an opportunity for the consideration of public comment in the event that the President chooses not to execute the discretionary notice and comment procedures, the bill requires that the Administration publish a semi-annual Federal Register notice that provides a full description of the events occurring at the international level and any domestic regulatory actions that have been initiated. Because this requirement based on the calendar, relates to information that is publicly available, and is not linked to decisions in the international process, this does not raise the same constitutional concerns.

We trust this provides an answer to your inquiry. We would welcome the opportunity to assist you with any future inquiries you may have. The Office of Management and Budget has advised that there is no objection to the submission of this letter from the standpoint of the Administration's program.

Sincerely,

WILLIAM MOSCHELLA,
Assistant Attorney General.

CONGRESSIONAL RESEARCH SERVICE,
Washington, DC, March 30, 2004.

Re: Validity of Provisions Mandating Notice and Comment Proceedings in Response to the Decisions of Parties Operating Pursuant to International Conventions and Protocols.

Hon. TOM HARKIN: Pursuant to your request, this memorandum analyzes certain provisions of a draft bill forwarded by the Administration that would amend the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) to allow for the implementation of the Stockholm Convention on Persistent Organic Pollutants (POPs Convention), the Rotterdam Convention on the Prior Informed Consent Procedure for Certain Hazardous Chemicals and Pesticides in International Trade (PIC Convention) and the Protocol on Persistent Organic Pollutants to the Convention on Long-Range Transboundary Air Pollution (LRTAP POPs Protocol). In pertinent part, the draft bill would imbue the Administrator of the Environmental Protection Agency (hereinafter referred to as ''Administrator'') with discretionary authority to publish notices in the Federal Register and to provide an opportunity for comment in response to certain actions taken by parties to the POPs Convention and the LRTAP POPs Protocol.

The Administration has asserted that the notice and comment provisions in its proposal are necessarily ''precatory'' in nature, ''because a mandatory consultation requirement would raise constitutional concerns.'' You have asked whether it would be constitutionally problematic to make the notice and comment provisions in the draft proposal mandatory, despite the concerns raised by the Administration. A review of relevant constitutional principles appears to indicate that such a requirement would pass constitutional muster.

POPS CONVENTION

The POPs Convention was signed by the United States on May 31, 2001, and requires nations to reduce or eliminate the production and use of listed chemicals. The POPs Convention allows new chemicals to be added to the list by amendment to the relevant treaty annexes, and an amendment may be proposed by any party to the Convention. Amendments may be adopted at a meeting of the Conference of the Parties after the circulation of such a proposal to all parties at least six months in advance of the meeting. The POPs convention also creates a Persistent Organic Pollutants Review Committee (POPs Review Committee) that is to consist of government-designated experts in chemical assessment or management. The POPs Review Committee is charged generally with determining whether a listing proposal submitted by a party meets screening criteria established in the Convention, determining whether global action is warranted regarding the proposal, and recommending whether a proposed chemical should be considered for listing by the Conference of the Parties.

LRTAP POPS PROTOCOL

The 1998 Aarhus Protocol on Persistent Organic Pollutants (hereinafter referred to as ''LRTAP POPs Protocol'') amended the Convention on Long-Range Transboundary Air Pollution with the objective of eliminating discharges, emissions and losses of listed persistent organic pollutants during their production, use and disposal. Any party may offer an amendment to add a new chemical to the LRTAP POPs Protocol, which may be adopted by consensus of the parties represented at a session of the Executive Body

of the Convention. Prior to the addition of a chemical, the LRTAP POPs Protocol requires the completion of a risk profile on the chemical establishing that it meets selection criteria specified under the protocol.

THE DRAFT PROPOSAL

The Administration's draft proposal, as supplied by your office, provides for the implementation of the PIC and POPs Conventions and the LRTAP POPs Protocol. To effectuate this implementation, the proposal imbues the Administrator with the discretionary authority to publish notices in the Federal Register in response to actions taken to add chemicals to the list of those covered under the POPs Convention and the LRTAP POPs Protocol specifically.

As noted above, the POPs Convention establishes a POPs Review Committee that is responsible for considering proposals to add chemicals to those listed in the POPs Convention and recommending to the Conference of the Parties whether a proposed chemical should be considered for listing by the Conference. In the event that the POPs Review Committee does not forward a proposal, the Conference may choose to consider the proposal on its own accord. Section 3(4) of the draft bill contains several provisions authorizing the Administrator of the EPA to publish notices in the Federal Register at certain stages of the listing process and to provide an opportunity for comment on a proposed listing. In particular, Section 3(4), establishing a new 7 U.S.C. 136o(e)(3), authorizes the publication of a notice and opportunity for comment after a decision by the POPs Review Committee that a listing proposal meets the screening criteria specified in the POPs Convention or, alternatively, if the Conference of the Parties decides that such a proposal should proceed.

Likewise, a new 7 U.S.C. 136o(e)(4) would authorize the publication of notice and opportunity for comment upon a determination by the POPs Review Committee that a proposed listing warrants global action, or, alternatively, if the Conference of the Parties decides that the proposal should proceed. Finally, a new 7 U.S.C. 136o(e)(5) would authorize the publication of notice and opportunity for comment after the POPs Review Committee recommends that the Conference of the Parties consider making a listing decision regarding the chemical at issue.

Publication of notice and opportunity for comment would also be authorized after a party to the LRTAP POPs Protocol submits a risk profile in support of a proposal to add a chemical to those already listed. Additional notice and comment proceedings would be authorized in instances where the Executive Body determines that further consideration of a pesticide is warranted, as well as after the completion of a technical review of a proposal to add a chemical to the LRTAP POPs Protocol. It is interesting to note that while the draft proposal makes the decision as to whether to engage at all in notice and comment procedures discretionary, the Administrator is required to provide detailed elements of notice in the event that such procedures are offered.

ANALYSIS

You have specifically inquired as to whether it would violate the doctrine of separation of powers to make the aforementioned discretionary notice and comment procedures mandatory, irrespective of the general concern voiced by the Administration that ''a mandatory consultation requirement would raise constitutional concerns.'' An examination of applicable principles and precedent appears to indicate that a mandatory notice and comment requirement would be constitutionally permissible.

Stated succinctly, the separation of powers doctrine ''implicit in the Constitution and well established in case law, forbids Congress from infringing upon the Executive Branch's ability to perform its traditional functions.'' The Supreme Court has established that in determining whether an act of Congress has violated the doctrine, ''the proper inquiry focuses on the extent to which it prevents the Executive Branch from accomplishing its constitutionally assigned functions.'' Furthermore, as was noted by the Court of Appeals for the Ninth Circuit in *Confederated Tribes of Siletz Indians* v. *United States:*

Although the Supreme Court has not announced a formal list of elements to be considered when determining whether a violation of the doctrine has taken place, it has consistently looked to at least two factors: (1) the governmental branch to which the function in question is traditionally assigned, *see Mistretta*, 488 U.S. at 364, 109 S.Ct. at 65–51; *Morrison* v. *Olson*, 487 U.S. 654, 694–96, 108 S.Ct. 2597, 2620–22, 101 L.Ed. 2d 659 (1988); and (2) the control of the function retained by the branch, *see Mistretta*, 488 U.S. at 408–12, 109 S.Ct. at 673–75; *Morrison*, 487 U.S. at 692–96, 108 S.Ct. at 2619–22.

Applying these factors to the case at hand, it appears unlikely that a reviewing court would hold that mandatory notice and comment provisions would violate the doctrine. As is indicated by the DOJ letter, it seems that any argument that a mandatory requirement would offend the separation of powers doctrine would hinge on the assertion that such a requirement necessarily constitutes an intrusion into the core power of the Executive Branch over external affairs. Specifically, in *United States* v. *Curtiss-Wright Corp.*, the Supreme Court declared:

[n]ot only . . . is the federal power over external affairs in origin and essential character different from that over internal affairs, but participation in the exercise of the power is significantly limited. In this vast external realm, with its important, complicated, delicate and manifold problems, the President alone has the power to speak or listen as a representative of the nation. He makes treaties with the advice and consent of the Senate; but he alone negotiates. Into the field of negotiation the Senate cannot intrude; and Congress itself is powerless to invade it. As Marshall said in his great argument of March 7, 1800, in the House of Representatives, 'the President is the sole organ of the nation in its external relations, and its sole representative with foreign nations.'

However, it is difficult to see how a mandatory notice and comment requirement would implicate this traditional executive function. Specifically, while it is generally conceded that there are some powers enjoyed by the President alone regarding foreign affairs, it is likewise evident that Congress possesses wide authority to promulgate policies respecting foreign affairs. Congress has often exercised this authority to determine policy objectives for the United States in international negotiations and to require subsequent legislative approval of international agreements before they may enter into force for the United States.

A mandatory notice and comment requirement would not appear to be an attempt to control the substance of negotiations between the United States and other parties to POPs Convention or the LRTAP POPs Protocol. Instead, such a requirement would simply establish that the Administrator must publish notices in the Federal Register providing information regarding chemicals that are being considered for listing to either the Convention or the Protocol. A somewhat analogous requirement in the international arena may be found at 19 U.S.C. 3537, which requires the United States Trade Representative to consult with the appropriate congressional committees and to publish detailed notices in the Federal Register whenever it is a party to any dispute settlement proceedings under the WTO. Furthermore, it should be noted that this notification provision could be likened to reporting requirements that are often imposed by Congress. As a general proposition, Congress is entitled to full access to information that is in the possession of the Executive Branch, subject to claims of executive privilege.

In addition to the general assertion that a mandatory notice and comment requirement would intrude on the President's power over the ''field of negotiation'' in foreign affairs, the DOJ letter states that any potential requirement that the Administrator consult with private parties or give consideration to comments received therefrom would also be constitutionally problematic. However, it is likewise difficult to ascertain how such a provision would necessarily impair the ability of the executive branch to carry out its core functions in this context. There is no indication that such a provision would be drafted so as to require the disclosure of sensitive information, or to require the inclusion of such individuals in the actual negotiation process. Rather, the notice and comment procedures at issue would appear to be tailored to ensure that the public is kept informed regarding ongoing proceedings in this context, and is further afforded the opportunity to comment on proposals under consideration. Accordingly, it appears that such a dynamic would not raise concerns any more significant than existing consultation requirements. Based on these factors, it does not appear that a mandatory notice and comment requirement would present any substantive separation of powers concerns.

T.J. HALSTEAD,
Legislative Attorney,
American Law Division.

By Mr. DURBIN (for himself, Mr. COCHRAN, and Mr. SALAZAR):

S. 2043. A bill to amend the Robert T. Stafford Disaster Relief and Emergency Assistance Act to provide grants for mass evacuation exercises for urban and suburban areas and the execution of emergency response plans, and for other purposes; to the Committee on Homeland Security and Governmental Affairs.

Mr. DURBIN. 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. 2043

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 ''Mass Evacuation Exercise Assistance Act of 2005''.

SEC. 2. MASS EVACUATION EXERCISES AND EXECUTION OF EMERGENCY RESPONSE PLANS.

Section 201 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5131) is amended by adding at the end the following:

''(e) GRANTS FOR MASS EVACUATION EXERCISES FOR URBAN AND SUBURBAN AREAS AND THE EXECUTION OF EMERGENCY RESPONSE PLANS.—

''(1) IN GENERAL.—The Secretary of Homeland Security shall make grants to States or units of local governments nominated by States to—

''(A) establish programs for the development of plans and conduct of exercises for

the mass evacuation of persons in urban and suburban areas; and

''(B) execute plans developed under subparagraph (A), including the purchase and stockpiling of necessary supplies for emergency routes and shelters.

''(2) CONDITIONS.—As a condition for the receipt of assistance under paragraph (1)(A), the Secretary of Homeland Security may establish any guidelines and standards for the programs that the Secretary determines to be appropriate.

''(3) REQUIREMENTS.—To the maximum extent practicable, a program assisted under paragraph (1)(A) shall incorporate the coordinated use of public and private transportation resources in the plans developed and the exercises carried out under the program.

''(4) PARTICIPATION OF MEMBERS OF THE ARMED FORCES.—

''(A) IN GENERAL.—The Secretary of Defense may authorize the participation of members of the Armed Forces and the use of appropriate Department of Defense equipment and materials in an exercise carried out under a program assisted under this subsection.

''(B) REIMBURSEMENT FOR PARTICIPATION OF GUARD.—In the event members of the National Guard in State status participate in an exercise carried out under a program assisted under this subsection pursuant to an authorization of the chief executive officer of a State, the Secretary of Defense may, using amounts available to the Department of Defense, reimburse the State for the costs to the State of the participation of such members in such exercise.

''(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $250,000,000 for each of fiscal years 2006 through 2010.

''(f) MASS EVACUATION PLANS.—

''(1) REQUIREMENT.—Each State or unit of local government receiving a grant under subsection (e)(1) shall, in consultation with relevant local governments, develop and maintain detailed and comprehensive mass evacuation plans for each area in the jurisdiction of the State unit of local government.

''(2) PLAN DEVELOPMENT.—In developing the evacuation plans required under paragraph (1), each State or unit of local government shall, to the maximum extent practicable—

''(A) assist urban and suburban county and municipal governments in establishing and maintaining mass evacuation plans;

''(B) assist hospitals, nursing homes, other institutional adult congregate living facilities, group homes, and other health or residential care facilities that house individuals with special needs in establishing and maintaining mass evacuation plans; and

''(C) integrate the plans described in subparagraphs (A) and (B) and coordinate evacuation efforts with the entities described in subparagraphs (A) and (B).

''(3) PLAN CONTENTS.—State, county, and municipal mass evacuation plans shall, to the maximum extent practicable—

''(A) establish incident command and decisionmaking processes;

''(B) identify primary and alternate escape routes;

''(C) establish procedures for converting 2-way traffic to 1-way evacuation routes, removing tollgates, ensuring the free movement of emergency vehicles, and deploying traffic management personnel and appropriate traffic signs;

''(D) maintain detailed inventories of drivers and public and private vehicles, including buses, vans, and handicap-accessible vehicles, that may be pressed into service;

''(E) maintain detailed inventories of emergency shelter locations and develop the necessary agreements with neighboring jurisdictions to operate or use the shelters in the event of a mass evacuation;

''(F) establish procedures for informing the public of evacuation procedures before and during an evacuation and return procedures after an evacuation, including using television, radio, print, and online media, land-based and mobile phone technology, and vehicles equipped with public address systems;

''(G) identify primary and alternate staging locations for emergency responders;

''(H) identify gaps in the ability to respond to different types of disasters, including the capacity to handle surges in demand for hospital, emergency medical, coroner, morgue, and mortuary services, quarantines, decontaminations, and criminal investigations;

''(I) establish procedures to evacuate individuals with special needs, including individuals who are low-income, disabled, homeless, or elderly or who do not speak English;

''(J) establish procedures for evacuating animals that assist the disabled;

''(K) establish procedures for protecting property, preventing looting, and accounting for pets; and

''(L) ensure the participation of the private and nonprofit sectors.

''(4) UPDATING OF PLANS.—State, county, municipal, and private plans under this subsection shall be updated on a regular basis.

''(g) ADDITIONAL ASSISTANCE TO STATES.—The Secretary of Homeland Security shall assist States and local governments in developing and maintaining the plans described in subsection (f) by—

''(1) establishing and maintaining comprehensive best practices for evacuation planning, training, and execution;

''(2) developing assistance teams to travel to States and assist local governments in planning, training, and execution;

''(3) developing a training curriculum based on the best practices established under paragraph (1);

''(4) providing the training curriculum developed under paragraph (3) to State and local officials;

''(5) maintaining a list of qualified government agencies, private sector consultants, and nonprofit organizations that can assist local governments in setting up evacuation plans; and

''(6) establishing and maintaining a comprehensive guide for State and local governments regarding—

''(A) the types of Federal assistance that are available to respond to emergencies; and

''(B) the steps necessary to apply for that assistance.

''(h) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of this subsection, the Comptroller General of the United States shall conduct a study detailing—

''(1) any Federal laws that pose an obstacle to effective evacuation planning;

''(2) any State or local laws that pose an obstacle to effective evacuation planning; and

''(3) the political and economic pressures that discourage governors, county executives, mayors, and other officials from—

''(A) ordering an evacuation; or

''(B) conducting exercises for the mass evacuation of people.''.

By Mr. DEWINE:

S. 2046. A bill to establish a National Methamphetamine Information Clearinghouse to promote sharing information regarding successful law enforcement, treatment, environmental, social services, and other programs related to the production, use, or effects of methamphetamine and grants available for such programs, and for the other purposes; to the Committee on the Judiciary.

Mr. DEWINE. Mr. President, today I am introducing a bill that would create a National Methamphetamine Information Clearinghouse (NMIC). This web-based source of information would promote sharing of ''best practices'' regarding law enforcement, treatment, environmental, social services, and other programs to combat the production, use, and effects of methamphetamine.

The purpose of the NMIC is to make a one-stop shop, where all the ''best practices'' in the fight against meth can be found—information from law enforcement, treatment-based organizations, social services and environmental agencies. It will be a website providing information that agencies and organizations submit, describing what has worked in their local communities. The people who have had success with addressing meth and meth-related issues will be providing this information. Additionally, there will be information and links regarding available grants for establishing and maintaining anti-meth programs.

The NMIC will serve two distinct populations—law enforcement and the broader community. The NMIC will contain a restricted access section where law enforcement will be able to post their successful strategies, training techniques, and conference notes so that other law enforcement will be able to get ideas and incorporate them in their own jurisdictions. The unrestricted portion of the website will include resources for other agencies and the public at large. For example, child protection agencies might post techniques on dealing with meth orphans, community health centers might post treatment options that provided them with some success, and environmental groups might post tips on cleaning up the toxic waste.

So, a landlord or hotel owner whose property was used as a meth lab and who wants to be able to rent out the property again, or the mother who wants to figure out if her child is a meth addict—and what to do if she is they would all be able to find useful information on the site.

One of our challenges in the fight against meth is finding those who need assistance and connecting them with those who can help—and that is exactly what this clearinghouse can do. Many people and organizations that have had some success in controlling meth are more than willing to share the techniques they found that work, if only they knew who needed the information. And, there are those who are just starting to attack the meth problem in their communities and need guidance as to how to make that start an effective one. The NMIC can help bring those groups of people together and enhance everyone's ability to fight the plague of meth.

NMIC will be housed under the auspices of the Department of Justice and

will be governed by an Advisory Council comprised of 10 members from a variety of agencies and organizations. It is this Council who will monitor the submissions to the Clearinghouse and make sure that the information found on the site is accurate, up-to-date, and useful.

The bill I am introducing today provides the basic outline of this idea, and over the next two months, I will be working closely with law enforcement and community groups to modify and improve the Clearinghouse before we move forward with this legislation next year. I look forward to that process and encourage all of my colleagues to join me in this effort to combat the meth problem.

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. 2046

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 ''National Methamphetamine Information Clearinghouse Act of 2005''.

SEC. 2. DEFINITIONS.

In this Act—

(1) the term ''Council'' means the National Methamphetamine Advisory Council established under section 3(b)(1);

(2) the term ''drug endangered children'' means children whose physical, mental, or emotional health are at risk because of the production, use, or effects of methamphetamine by another person;

(3) the term ''National Methamphetamine Information Clearinghouse'' or ''NMIC'' means the information clearinghouse established under section 3(a); and

(4) the term ''qualified entity'' means a State or local government, school board, or public health, law enforcement, nonprofit, or other nongovernmental organization providing services related to methamphetamines.

SEC. 3. ESTABLISHMENT OF CLEARINGHOUSE AND ADVISORY COUNCIL.

(a) CLEARINGHOUSE.—There is established, under the supervision of the Attorney General of the United States, an information clearinghouse to be know as the National Methamphetamine Information Clearinghouse.

(b) ADVISORY COUNCIL.—

(1) IN GENERAL.—There is established an advisory council to be known as the National Methamphetamine Advisory Council.

(2) MEMBERSHIP.—The Council shall consist of 10 members appointed by the Attorney General—

(A) not fewer than 3 of whom shall be representatives of law enforcement agencies;

(B) not fewer than 4 of whom shall be representatives of nongovernmental and nonprofit organizations providing services related to methamphetamines; and

(C) 1 of whom shall be a representative of the Department of Health and Human Services.

(3) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for 3 years. Any vacancy in the Council shall not affect its powers, but shall be filled in the same manner as the original appointment.

SEC. 4. NMIC REQUIREMENTS AND REVIEW.

(a) IN GENERAL.—The NMIC shall promote sharing information regarding successful law enforcement, treatment, environmental, social services, and other programs related to the production, use, or effects of methamphetamine and grants available for such programs.

(b) COMPONENTS.—The NMIC shall include—

(1) a toll-free number; and

(2) a website that—

(A) provides information on the short-term and long-term effects of methamphetamine use;

(B) provides information regarding methamphetamine treatment programs and programs for drug endangered children, including descriptions of successful programs and contact information for such programs;

(C) provides information regarding grants for methamphetamine-related programs, including contact information and links to websites;

(D) allows a qualified entity to submit items to be posted on the website regarding successful public or private programs or other useful information related the production, use, or effects of methamphetamine;

(E) includes a restricted section that may only be accessed by a law enforcement organization that contain successful strategies, training techniques, and other information that the Council determines helpful to law enforcement agency efforts to combat the production, use or effects of methamphetamine;

(F) allows public access to all information not in a restricted section; and

(G) contains any additional information the Council determines may be useful in combating the production, use, or effects of methamphetamine.

(c) REVIEW OF POSTED INFORMATION.—

(1) IN GENERAL.—Not later than 30 days after the date of submission of an item by a qualified entity, the Council shall review an item submitted for posting on the website described in subsection (b)(2)—

(A) to evaluate and determine whether the item, as submitted or as modified, meets the requirements for posting; and

(B) in consultation with the Attorney General, to determine whether the item should be posted in a restricted section of the website.

(2) DETERMINATION.—Not later than 45 days after the date of submission of an item, the Council shall—

(A) post the item on the website described in subsection (b)(2); or

(B) notify the qualified entity that submitted the item regarding the reason such item shall not be posted and modifications, if any, that the qualified entity may make to allow the item to be posted.

SEC. 5. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated—

(1) for fiscal year 2006—

(A) $1,000,000 to establish the NMIC and Council; and

(B) such sums as are necessary for the operation of the NMIC and Council; and

(2) for each of fiscal years 2007 through 2010, such sums as are necessary for the operation of the NMIC and Council.

By Mr. OBAMA (for himself and Mrs. CLINTON):

S. 2047. A bill to promote healthy communities; to the Committee on Health, Education, Labor, and Pensions.

Mr. OBAMA. Mr. President, today, I am introducing the Healthy Communities Act of 2005, and I am pleased to have the support of my good friend and colleague Senator HILLARY RODHAM CLINTON.

Over the last few decades, our medical researchers and scientists have developed increasingly sophisticated and high tech methods to diagnose and treat disease. Yet, this approach has caused us to lose sight of the need for preventing diseases on the front-end, with greater investment in basic public health interventions that too often get short shrift.

Today, I would like to bring it back to the basics and talk about environmental quality. The air we breathe, the food we eat, the houses in which we live, and the parks in which our children play—all of these factors contribute to our health. Environmental health, as defined by the World Health Organization, includes both the direct, damaging effects of chemicals, radiation, and some biological agents, and the effects on health and well-being of the broad physical, psychological, social, and aesthetic environment. The legislation that I have introduced draws attention to that aspect of the environment that is the physical environment—the toxicants and pollutants that we may not notice, but are present in our everyday surroundings and taking a toll on our health.

My home State of Illinois faces a number of environmental challenges, including high levels of lead poisoning. It is estimated that over 400,000 children in this country suffer from elevated blood lead levels. Chicago has the unfortunate distinction of ranking number 1 for children with elevated blood lead levels. 6,691 children have elevated blood lead levels, which is 50 percent higher than the number of children in the second ranked city of Philadelphia. Elevated blood levels are known to cause behavioral and learning problems, slowed growth, impaired hearing and damage to the kidneys, brain and bone marrow. Adults are not exempt from lead toxicity—poisoned adults suffer pregnancy difficulties, high blood pressure, digestive problems, nerve disorders, memory and concentration problems, and muscle and joint pain. Lead poisoning is completely preventable, and although our agencies have made good progress, we can and must do more to address this issue.

Obviously lead is only one of many toxicants and pollutants with which we must contend. Different areas of the U.S. face unique challenges—States like California are grappling with the repercussions of air pollution, while Massachusetts and others in the Northeast are challenged with high levels of mercury in the water. As much as we know about these hazards, the effects of many chemicals are unknown.

Less than half of the chemicals produced in this country in quantities greater than 10,000 pounds have been tested for their potential human toxicity, with less than 10 percent studied to assess effects on development. This lack of knowledge has serious health repercussions—in children, environmental toxins are estimated to cause

up to 35 percent of asthma cases, up to 10 percent of cancer cases, and up to 20 percent of neurobehavioral disorders. Overall, an estimated 25 percent of preventable illnesses worldwide can be attributed to poor environmental quality. Diseases such as cancer, heart disease, asthma, birth defects, infertility, and obesity are all caused or exacerbated by toxicants or pollutants in the environment.

Minority Americans are significantly more likely to be affected than other Americans. Some studies have found that 3 of every 5 African- and Latino Americans live in communities with one or more toxic waste sites. Communities with existing incinerators, and those that are proposed for placement of new incinerators, have substantially higher numbers of minority residents. Minority Americans are already plagued with higher rates of death and disease, and fewer health resources in their neighborhoods. As we focus our efforts on environmental health, we must be cognizant that some groups are disproportionately affected by federal policies and decision-making, and deserve careful attention.

The Healthy Communities Act of 2005 addresses environmental health concerns in a comprehensive fashion, building upon many of the successful federal initiatives and filling in gaps in other critical areas. The bill establishes an independent advisory committee to provide recommendations across all relevant Federal agencies. It asks the CDC and the EPA to assess and report the environmental public health of the nation, and each State. The Health Action Zone Program will provide intense Federal attention and resources to clean up and address the health needs of the nation's most blighted communities. Environmental research is expanded, including biomonitoring and health tracking initiatives. Finally, the Act promotes environmental health workforce programs at the CDC and the NIH.

The Healthy Communities Act of 2005 will increase national attention on the importance of the environment, and its relationship to good health. As we work to make our future stronger for our communities, let us look to our past. In the National Environmental Policy Act (NEPA) of 1969, Congress wrote that it is the continuing responsibility of the Federal Government to assure that all Americans live in ''safe, healthful and aesthetically and culturally pleasing surroundings.'' Almost forty years later, our responsibility to the American people continues. I encourage all of my colleagues to join me and support passage of this bill.

By Mr. OBAMA:

S. 2048. A bill to direct the Consumer Product Safety Commission to classify certain children's products containing lead to be banned hazardous substances; to the Committee on Commerce, Science, and Transportation.

Mr. OBAMA. Mr. President, I rise today to introduce the Lead Free Toys Act of 2005, which directs the Consumer Product Safety Commission to intensify efforts to reduce lead exposure for children.

The unfortunate reality for many children—particularly in low-income and minority households—is the continued presence of high blood lead levels. Over 400,000 children in this country have elevated blood lead levels, with my own hometown of Chicago having the largest concentration of these children.

Lead is a highly toxic substance that can produce a range of health problems in young children, including IQ deficiencies, reading and learning disabilities, impaired hearing, reduced attention spans, hyperactivity, and damage to the kidneys, brain and bone marrow. Even low levels of blood lead in pregnant women, infants and children can lead to impaired cognitive abilities, fetal organ development and behavioral problems.

We know that lead poisoning is completely preventable. As the Nation has increased efforts to reduce environmental lead exposure, the number of children with high blood levels has steadily dropped. Restricting lead in gasoline and paint represent two major accomplishments in this regard. But much work remains to be done.

Earlier today I introduced the Healthy Communities Act of 2005, to strengthen Federal, State and local efforts to address environmental health issues in communities already affected by lead and other toxins. However, we need to take greater proactive steps to prevent contamination, and the Lead Free Toys Act of 2005 will help us do just that.

Disturbingly, lead is present in a number of toys and other frequently used objects by young children. According to research conducted by the National Center for Environmental Health, about half of tested lunch boxes have unsafe levels of lead. The highly popular Angela Anaconda lunch box was found to have 56,400 parts per million of lead, which is more than 90 times the 600 parts per million legal limit for lead in paint for children's products. Other lunch boxes showed levels of lead between two and twenty-five times the legal limit for lead paint in children's products. In most cases, the highest lead levels were found in the lining of lunch boxes, where lead could come into direct contact with food.

This problem is not limited to lunchboxes. One study found that 60 percent of more than 400 pieces of costume jewelry purchased at major department stores contain dangerous amounts of lead. From September 2003 through July 2004, there were 3 recalls of nearly 150 million pieces of toy jewelry because of toxic levels of lead.

This past August the Centers for Disease Control updated their ''Preventing Lead Poisoning in Young Children'' statement calling for the elimination of all nonessential uses of lead in children's products. Specifically, the CDC urged a more systematic approach to identifying lead-contaminated items and prohibiting their sale before children are exposed, rather than usual recall efforts after exposure has occurred.

The Consumer Product Safety Commission leads our national efforts to safeguard our children from potentially dangerous objects. However, the Commission has dragged its feet in aggressively addressing the problem of lead in toys. The Lead Free Toys Act, introduced by my colleague Congressman HENRY WAXMAN earlier this year, requires the Consumer Product Safety Commission to prescribe regulations classifying any children's product containing lead as a banned hazardous substance under the Hazardous Substances Act. It defines ''children's product containing lead'' as any consumer product marketed or used by children under age 6 that contains more than trace amounts of lead as determined by the Commission and prescribed by regulations. The Act also requires the Commission to issue standards for reduction in lead in electronic devices.

It's a national disgrace that toys that could pose a serious and significant danger to children are readily available in our department stores and markets. The Lead Free Toys Act of 2005 will help us keep our children safe and healthy, and contribute to national efforts to reduce lead exposure. I ask each of my colleagues to help support this Act.

By Mr. DOMENICI (for himself, Mr. DORGAN, and Mr. TALENT):

S. 2049. A bill to improve the security of the United States borders and for other purposes; to the Committee on the Judiciary.

Mr. DOMENICI. Mr. President, I rise today with my friend from North Dakota, Senator DORGAN, and my friend from Missouri, Senator TALENT, to introduce a bill of critical importance to the security of our borders: the Border Modernization and Security Act of 2005.

Securing our borders is the first necessary step towards immigration reform, and I believe the legislation I am introducing makes an enormous leap in the right direction.

Our bill builds upon legislation we introduced in the last Congress to improve our port of entry infrastructure as well as a lot of good ideas proposed by other Senators in this Congress, and adds some provisions that I think are important to a comprehensive border security and immigration reform effort.

The Border Modernization and Security Act increases the number of Customs and Border Protection (CBP) officers and Immigration and Customs Enforcement (ICE) agents each by 1000 for each of fiscal years 2007 through 2011. These personnel are necessary to improve our enforcement at ports of entry and within the United States, and increasing the number of these employees goes hand in hand with our recent efforts to increase the number of

border patrol agents who are enforcing the law along our international borders. Along this same line, the bill allows the Department of Homeland Security (DHS) to support its border and immigration forces with National Guard personnel and volunteer retired law enforcement officers, provides for an increase in the number of DHS alien and immigration investigative personnel, and increases the number of Deputy Marshals to investigate criminal immigration matters.

Increasing the number of DHS employees alone will not solve our border problems. Unauthorized aliens also cause a significant burden on our courts. For example, for the 12-month period ending September 30, 2004, 364 felony cases per judge were filed in the New Mexico District. It is apparent how burdensome this number is for my border State's court when you consider that the national average of felony cases filed per judge is 88. To help with these high caseload levels, our bill increases the number of DHS immigration attorneys, federal defenders, Office of Immigration Litigation attorneys, assistant US Attorneys, and immigration judges.

Increased personnel is only one aspect of our effort to secure the border. Any border security effort must provide DHS personnel with necessary technologies and assets. To that end, our bill authorizes funds for the Department to acquire new technologies, construct roads, fences, and barriers, purchase air assets, vehicles, and other equipment, maintain temporary and permanent border checkpoints, and construct the appropriate facilities to support the increased number of DHS personnel being hired. Such assets are invaluable tools for our CBP and ICE employees, and we must make sure those men and women have what they need. We also provide for up to 15,000 new detention beds for unauthorized aliens in our bill.

Another area Congress must address is our land port of entry infrastructure. No American border has undergone a comprehensive infrastructure overhaul since 1986, when Senator Dennis DeConcini of Arizona and I put forth a $357 million effort to modernize the southwest border. A great deal has changed in the past nineteen years. More importantly, much has changed since September 11, 2001. Congress has passed legislation to improve security at airports and seaports, but we have not yet addressed the needs of our busiest ports, located on the United States' northern and southwestern land borders. The Border Modernization and Security Act would change that and would prevent terrorists from exploiting weaknesses at our land ports.

My bill requires the General Service Administration (GSA) to identify port of entry infrastructure and technology improvement projects that would enhance homeland security. The GSA would work with the Department of Homeland Security to prioritize and implement these projects based on needs along the border. The Secretary of Homeland Security would also have to prepare a Land Border Security Plan to assess the vulnerabilities at each port of entry located on the northern border or the southern border. This plan will require the cooperation of Federal, State and local entities involved at our borders to ensure that everyone who plays a role in border security is consulted about the plan.

The Border Modernization and Security Act would also modernize homeland security along the United States' borders by implementing technology demonstration programs to test and evaluate new port of entry and border security technologies. Because equipment and technology alone will not solve the security problems on our border, these test sites will also house facilities to provide the necessary training to personnel who must implement and use these technologies under realistic conditions.

We must also improve the enforcement of existing immigration laws. Our bill authorizes funds for the Department of Homeland Security to expand its Expedited Removal Procedures so DHS can expeditiously return non-Mexican illegal aliens who have spent less than 14 days in the US and who are apprehended within 100 miles of the international border to the alien's country of origin. We also allow DHS to create an automated biometric entry and exit data system at our land ports of entry so we can more accurately keep track of who is entering and leaving the US.

In order for the Department to more easily identify and remove unauthorized aliens who commit crimes under State law and are held in State and local prisons, we authorize the expansion of DHS' Institutional Removal Program. Because of the burden these aliens place on our State and local prisons, DHS will be responsible for reimbursing prisons that detain an alien after the alien has completed his prison sentence in order to effectuate the alien's transfer to federal custody.

Along the same line, the Border Modernization and Security Act provides additional assistance to States that are impacted by unauthorized aliens who commit crimes. I know first hand the impact such aliens have on our State and local prisons from talking to prosecutors and judges in New Mexico, so our bill reauthorizes the State Criminal Alien Assistance Program to help our States with the costs of incarcerating these aliens. Additionally, the bill allows for the reimbursement of State and local costs of processing illegal aliens through the criminal justice system and creates a new grant program for State, local, and Indian tribe law enforcement agencies who incur costs related to border security activities.

I believe that these measures are an important part of addressing this nation's homeland security needs, and I am pleased to introduce this bill today with Senators DORGAN and TALENT.

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. 2049

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 ''Border Security and Modernization Act of 2005''.

SEC. 2. DEFINITIONS.

In this Act:

(1) DEPARTMENT.—Except as otherwise provided, the term ''Department'' means the Department of Homeland Security.

(2) SECRETARY.—Except as otherwise provided, the term ''Secretary'' means the Secretary of Homeland Security.

(3) STATE.—Except as otherwise provided, the term ''State'' has the meaning given that term in section 101(a)(36) of the Immigration and Nationality Act (8 U.S.C. 1101 (a)(36)).

SEC. 3. CONSTRUCTION.

Nothing in this Act may be construed to require law enforcement personnel of a State or political subdivision of a State to—

(1) report the identity of a victim of, or a witness to, a criminal offense to the Secretary for immigration enforcement purposes;

(2) arrest such victim or witness for a violation of the immigration laws of the United States; or

(3) enforce the immigration laws of the United States.

TITLE I—BORDER PROTECTION

Subtitle A—Personnel and Training

SEC. 101. PERSONNEL OF THE DEPARTMENT OF HOMELAND SECURITY.

(a) IN GENERAL.—

(1) CUSTOMS AND BORDER PROTECTION OFFICERS.—During each of the fiscal years 2007 through 2011, the Secretary shall, subject to the availability of appropriations for such purpose, increase by not less than 1,000 the number of positions for full-time active duty officers of the Bureau of Customs and Border Protection of the Department for such fiscal year.

(2) IMMIGRATION AND CUSTOMS ENFORCEMENT INSPECTORS.—Section 5203 of the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108–458; 118 Stat. 3734) is amended by striking ''800'' and inserting ''1000''.

(3) INVESTIGATIVE PERSONNEL.—In addition to the positions authorized under section 5203 of the Intelligence Reform and Terrorism Prevention Act of 2004, as amended by paragraph (2), during each of the fiscal years 2007 through 2011, the Secretary shall, subject to the availability of appropriations for such purpose, increase by not less than 100 the number of positions for investigative personnel within the Department to investigate alien smuggling and immigration status violations for such fiscal year.

(4) LEGAL PERSONNEL.—During each of the fiscal years 2007 through 2011, the Secretary shall, subject to the availability of appropriations for such purpose, increase by not less than 100 the number of positions for attorneys in the Office of General Counsel of the Department who represent the Department in immigration matters for such fiscal year.

(5) WAIVER OF FTE LIMITATION.—The Secretary is authorized to waive any limitation on the number of full-time equivalent personnel employed by the Department to fulfill

the requirements of paragraph (1) and the amendment made by paragraph (2).

(b) TRAINING.—The Secretary shall provide appropriate training for the agents, officers, inspectors, and associated support staff of the Department on an ongoing basis to utilize new technologies and techniques and to ensure that the proficiency levels of such personnel are acceptable to protect the international borders of the United States.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for each of fiscal years 2007 through 2011, such sums as may be necessary to carry out this section.

SEC. 102. PERSONNEL OF THE DEPARTMENT OF JUSTICE AND OTHER ATTORNEYS.

(a) LITIGATION ATTORNEYS.—During each of the fiscal years 2007 through 2011, the Attorney General shall, subject to the availability of appropriations for such purpose, increase by not less than 50 the number of positions for attorneys in the Office of Immigration Litigation of the Department of Justice for such fiscal year.

(b) UNITED STATES ATTORNEYS.—During each of the fiscal years 2007 through 2011, the Attorney General shall, subject to the availability of appropriations for such purpose, increase by not less than 50 the number of United States Attorneys to litigate immigration cases in the Federal courts for such fiscal year.

(c) UNITED STATES MARSHALS.—During each of the fiscal years 2007 through 2011, the Attorney General shall, subject to the availability of appropriations for such purpose, increase by not less than 50 the number of Deputy United States Marshals to investigate criminal immigration matters.

(d) IMMIGRATION JUDGES.—During each of fiscal years 2007 through 2011, the Attorney General shall, subject to the availability of appropriations for such purpose, increase by not less than 100 the number of immigration judges for such fiscal year.

(e) DEFENSE ATTORNEYS.—During each of the fiscal years 2007 through 2011, the Director of the Administrative Office of the United States Courts shall, subject to the availability of appropriations for such purpose, increase by not less than 100 the number of attorneys in the Federal Defenders Program for such fiscal year.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Attorney General for each of fiscal years 2007 through 2011 such sums as may be necessary to carry out this section, including the hiring of necessary support staff.

SEC. 103. USE OF THE NATIONAL GUARD FOR BORDER PROTECTION ACTIVITIES.

(a) IN GENERAL.—Section 112 of title 32, United States Code, is amended—

(1) by striking ''drug interdiction and counter-drug activities'' each place it appears and inserting ''drug interdiction, counter drug, and border activities''; and

(2) in subparagraphs (A) and (B) of subsection (e)(1), by striking ''drug interdiction or counter-drug activities'' each place it appears and inserting ''drug interdiction, counter-drug, or border activities''.

(b) DEFINITION OF DRUG INTERDICTION, COUNTER-DRUG, AND BORDER ACTIVITIES.—Subsection (h)(1) of such section is amended to read as follows:

''(1) The term 'drug interdiction, counter-drug, and border activities', with respect to the National Guard of a State, means the use of National Guard personnel in—

''(A) drug interdiction and counter-drug law enforcement activities, including drug demand reduction activities authorized by the law of the State and requested by the Governor of the State; or

''(B) activities conducted in cooperation with personnel of the Department of Homeland Security to secure the international borders of the United States, including constructing roads, fencing, and vehicle barriers, assisting in search and rescue operations conducted by personnel of the Department of Homeland Security, and monitoring international borders, and excluding any law enforcement activities conducted by personnel of the Department of Homeland Security.''.

SEC. 104. DEPUTY BORDER PATROL AGENT PROGRAM.

(a) AUTHORITY TO ESTABLISH.—The Secretary may establish a Deputy Border Patrol Agent Program (in this section referred to as the ''Program'') in the Office of Border Patrol.

(b) PURPOSE.—The purpose of the Program shall be to establish a volunteer force of trained, retired law enforcement officers to assist the Secretary in carrying out the mission of the Department to achieve operational control of the borders of the United States.

(c) QUALIFICATIONS.—An individual may participate as a volunteer in the Program only if such individual is a retired law enforcement officer, who is or was previously licensed by a Federal or State authority to enforce Federal, State, or local penal offenses.

(d) UTILIZATION OF VOLUNTEERS.—The Secretary may utilize an individual who participates as a volunteer in the Program to provide such border security functions that the Secretary determines are appropriate.

(e) TRAINING AND OTHER REQUIREMENTS.—The Secretary may require an individual who participates as a volunteer in the Program to participate in such training, testing, and other requirements that the Secretary determines are appropriate.

(f) SWEARING IN.—Upon completion of any training, testing, or other procedures required by the Secretary, an individual who participates in the Program shall be sworn in and assigned to the Office of Border Patrol.

(g) ASSIGNMENT OF VOLUNTEERS.—The Secretary may assign individuals participating in the Program to provide patrol services at facilities and locations along the international borders of the United States.

(h) OVERSIGHT OF AGENTS.—The Secretary, acting through the Commissioner of the Bureau of Customs and Border Protection of the Department, shall have oversight of all individuals participating in the Program. Such volunteers shall serve at the pleasure of the Secretary, acting through the Commissioner of the Bureau of Customs and Border Protection.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $10,000,000 for each of the fiscal years 2007 through 2011 to carry out this section.

SEC. 105. DOCUMENT FRAUD DETECTION.

(a) TRAINING.—The Secretary shall provide appropriate officers of the Bureau of Customs and Border Protection of the Department with training in identifying and detecting fraudulent travel documents. Such training shall be developed in consultation with the Forensic Document Laboratory of the Bureau of Immigration and Customs Enforcement of such Department.

(b) FORENSIC DOCUMENT LABORATORY.—The Secretary shall provide all officers of the Bureau of Customs and Border Protection with access to the Forensic Document Laboratory.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $10,000,000 for each of the fiscal years 2007 through 2011 to carry out this section.

Subtitle B—Infrastructure

SEC. 111. MODERNIZATION OF BORDER INFRASTRUCTURE.

(a) DEFINITIONS.—In this section:

(1) COMMISSIONER.—The term ''Commissioner'' means the Commissioner of the Bureau of Customs and Border Protection of the Department.

(2) MAQUILADORA.—The term ''maquiladora'' means an entity located in Mexico that assembles and produces goods from imported parts for export to the United States.

(3) NORTHERN BORDER.—The term ''northern border'' means the international border between the United States and Canada.

(4) SOUTHERN BORDER.—The term ''southern border'' means the international border between the United States and Mexico.

(b) BORDER TECHNOLOGIES, ASSETS, AND CONSTRUCTION.—

(1) ACQUISITION.—The Secretary shall procure technologies necessary to support the mission of the Department to achieve operational control of the international borders of the United States. In determining what technologies to procure, the Secretary shall consult with the Secretary of Defense and the head of the National Laboratories and Technology Centers of the Department of Energy.

(2) CONSTRUCTION OF BORDER CONTROL FACILITIES.—The Secretary shall construct roads, acquire vehicle barriers, and construct fencing necessary to support such mission.

(3) ASSETS.—The Secretary shall acquire unmanned aerial vehicles, police-type vehicles, helicopters, all terrain vehicles, interoperable communications equipment, firearms, sensors, cameras, lighting and such other equipment and assets as may be necessary to support such mission.

(4) FACILITIES.—The Secretary shall construct such facilities as may be necessary to support the number of employees of the Department who are hired pursuant to any provision of this Act or of subtitle B of title V of the Intelligence Reform and Terrorism Prevention Act of 2004 (Public Law 108–458; 118 Stat. 3733).

(5) CHECKPOINTS.—The Secretary may construct and maintain temporary or permanent checkpoints on roadways located in close proximity to the northern border or the southern border to support such mission.

(c) PORT OF ENTRY INFRASTRUCTURE ASSESSMENT STUDY.—

(1) REQUIREMENT TO UPDATE.—In order to carry out the mission of the Department to achieve operational control of the international borders of the United States, not later than January 31 of each year, the Administrator of General Services shall update the Port of Entry Infrastructure Assessment Study prepared by the United States Customs Service, the Immigration and Naturalization Service, and the General Services Administration in accordance with the matter relating to the ports of entry infrastructure assessment that is set out in the joint explanatory statement in the conference report accompanying H.R. 2490 of the 106th Congress, 1st session (House of Representatives Rep. No. 106–319, page 67) and submit such updated study to Congress.

(2) CONSULTATION.—In preparing the updated studies required by paragraph (1), the Administrator of General Services shall consult with the Director of the Office of Management and Budget, the Secretary, and the Commissioner.

(3) CONTENT.—Each updated study required by paragraph (1) shall—

(A) identify port of entry infrastructure and technology improvement projects that would enhance border security and facilitate the flow of legitimate commerce if implemented;

(B) include the projects identified in the National Land Border Security Plan required by subsection (d); and

(C) prioritize each project described in subparagraph (A) or (B) based on the likelihood that the project will—

(i) fulfill immediate security requirements; and

(ii) facilitate trade across the borders of the United States.

(4) PROJECT IMPLEMENTATION.—

(A) IN GENERAL.—The Commissioner shall implement the infrastructure and technology improvement projects described in each updated study required by paragraph (1) in the order of priority assigned to each project under paragraph (3)(C).

(B) EXCEPTION.—The Commissioner may diverge from the priority order if the Commissioner determines that significantly changed circumstances, such as immediate security needs or changes in infrastructure in Mexico or Canada, compellingly alter the need for a project in the United States.

(d) NATIONAL LAND BORDER SECURITY PLAN.—

(1) REQUIREMENT FOR PLAN.—In order to carry out the mission of the Department to achieve operational control of the international borders of the United States, not later than January 31 of each year, the Secretary shall prepare a National Land Border Security Plan and submit such plan to Congress.

(2) CONSULTATION.—In preparing the plan required by paragraph (1), the Secretary shall consult with the Under Secretary for Information Analysis and Infrastructure Protection and the Federal, State, and local law enforcement agencies and private entities that are involved in international trade across the northern border or the southern border.

(3) VULNERABILITY ASSESSMENT.—

(A) IN GENERAL.—The plan required by paragraph (1) shall include a vulnerability assessment of each port of entry located on the northern border or the southern border.

(B) PORT SECURITY COORDINATORS.—The Secretary may establish 1 or more port security coordinators at each port of entry located on the northern border or the southern border—

(i) to assist in conducting a vulnerability assessment at such port; and

(ii) to provide other assistance with the preparation of the plan required by paragraph (1).

(e) EXPANSION OF TRADE SECURITY PROGRAMS.—

(1) CUSTOMS-TRADE PARTNERSHIP AGAINST TERRORISM.—

(A) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Commissioner, in consultation with the Secretary, shall develop a plan to expand the size and scope (including personnel needs) of the Customs-Trade Partnership Against Terrorism programs along the northern border and southern border, including—

(i) the Business Anti-Smuggling Coalition;

(ii) the Carrier Initiative Program;

(iii) the Americas Counter Smuggling Initiative;

(iv) the Free and Secure Trade Initiative; and

(v) other Industry Partnership Programs administered by the Commissioner.

(2) MAQUILADORA DEMONSTRATION PROGRAM.—Not later than 180 days after the date of enactment of this Act, the Commissioner shall establish a demonstration program to develop a cooperative trade security system with maquiladoras to improve supply chain security.

(f) PORT OF ENTRY TECHNOLOGY DEMONSTRATION PROGRAM.—

(1) ESTABLISHMENT.—In order to carry out the mission of the Department to achieve operational control of the international borders of the United States, the Secretary shall carry out a technology demonstration program to test and evaluate new port of entry technologies, refine port of entry technologies and operational concepts, and train personnel under realistic conditions. The Commissioner of the Bureau of Customs and Border Protection shall oversee the program in consultation and cooperation with other divisions of the Department.

(2) TECHNOLOGY AND FACILITIES.—

(A) TECHNOLOGY TESTED.—Under the demonstration program, the Secretary shall test technologies that enhance port of entry operations, including those related to inspections, communications, port tracking, identification of persons and cargo, sensory devices, personal detection, decision support, and the detection and identification of weapons of mass destruction.

(B) FACILITIES DEVELOPED.—At a demonstration site selected pursuant to paragraph (3)(B), the Secretary shall develop facilities to provide appropriate training to law enforcement personnel who have responsibility for border security, including cross-training among agencies, advanced law enforcement training, and equipment orientation.

(3) DEMONSTRATION SITES.—

(A) NUMBER.—The Secretary shall carry out the demonstration program at not less than 3 sites and not more than 5 sites.

(B) SELECTION CRITERIA.—To ensure that at least 1 of the facilities selected as a port of entry demonstration site for the demonstration program has the most up-to-date design, contains sufficient space to conduct the demonstration program, has a traffic volume low enough to easily incorporate new technologies without interrupting normal processing activity, and can efficiently carry out demonstration and port of entry operations, at least 1 port of entry selected as a demonstration site shall—

(i) have been established not more than 15 years before the date of enactment of this Act;

(ii) consist of not less than 65 acres, with the possibility of expansion onto not less than 25 adjacent acres; and

(iii) have serviced an average of not more than 50,000 vehicles per month in the 12 full months preceding the date of enactment of this Act.

(4) RELATIONSHIP WITH OTHER AGENCIES.—The Secretary shall permit personnel from an appropriate Federal or State agency to utilize a demonstration site described in paragraph (3) to test technologies that enhance port of entry operations, including those related to inspections, communications, port tracking, identification of persons and cargo, sensory devices, personal detection, decision support, and the detection and identification of weapons of mass destruction.

(5) REPORT.—

(A) REQUIREMENT.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary shall submit to Congress a report on the activities carried out at each demonstration site under the technology demonstration program established under this subsection.

(B) CONTENT.—Each report submitted pursuant to subparagraph (A) shall include an assessment by the Secretary of the feasibility of incorporating any demonstrated technology for use throughout the Bureau of Customs and Border Protection.

(g) BORDER PATROL TECHNOLOGY DEMONSTRATION PROGRAM.—

(1) ESTABLISHMENT.—In order to carry out the mission of the Department to achieve operational control of the international borders of the United States, the Secretary shall carry out a technology demonstration program to test and evaluate new border security technologies and train personnel under realistic conditions.

(2) TECHNOLOGY AND FACILITIES.—

(A) TECHNOLOGY TESTED.—Under the demonstration program, the Secretary shall test technologies that enhance border security, including those related to communications, sensory devices, personal detection, and decision support.

(B) FACILITIES DEVELOPMENT.—At a site where border patrol agents participate in law enforcement training, the Secretary shall develop facilities to carry out the demonstration program, including providing appropriate training to law enforcement personnel who have responsibility for border security, including cross-training among agencies, advanced law enforcement training, and equipment orientation.

(3) RELATIONSHIP WITH OTHER AGENCIES.—The Secretary shall permit personnel from an appropriate Federal or State agency to utilize the demonstration site described in this subsection to test technologies that enhance border security, including those related to communications, sensory devices, personal detection, and decision support.

(4) REPORT.—

(A) REQUIREMENT.—Not later than 1 year after the date of enactment of this Act, and annually thereafter, the Secretary shall submit to Congress a report on the activities carried out at the demonstration site under the technology demonstration program established under this subsection.

(B) CONTENT.—Each report submitted pursuant to subparagraph (A) shall include an assessment by the Secretary of the feasibility of incorporating any demonstrated technology for use throughout the Department.

(h) INTERNATIONAL AGREEMENTS.—Funds authorized in this Act may be used for the implementation of projects described in the Declaration on Embracing Technology and Cooperation to Promote the Secure and Efficient Flow of People and Commerce across our Shared Border between the United States and Mexico, agreed to March 22, 2002, Monterrey, Mexico (commonly known as the Border Partnership Action Plan) or the Smart Border Declaration between the United States and Canada, agreed to December 12, 2001, Ottawa, Canada that are consistent with the provisions of this Act.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated the following:

(1) For each of the fiscal years 2007 through 2011, $1,000,000,000 to carry out subsection (b).

(2) For each of the fiscal years 2007 through 2011, such sums as may be necessary to carry out paragraph (1) of subsection (c).

(3) For each of the fiscal years 2007 through 2011, $100,000,000 to carry out paragraph (4) of subsection (c).

(4) For each of the fiscal years 2007 through 2011, such sums as may be necessary to carry out subsection (d).

(5)(A) For fiscal year 2007, $30,000,000 to carry out paragraph (1) of subsection (e); and

(B) For each of the fiscal years 2008 through 2011, such sums as may be necessary to carry out such paragraph.

(6)(A) For fiscal year 2007, $5,000,000 to carry out paragraph (2) of subsection (e); and

(B) For each of the fiscal years 2008 through 2011, such sums as may be necessary to carry out such paragraph.

(7)(A) For fiscal year 2007, $50,000,000 to carry out subsection (f), and not more than $10,000,000 of such amount may be expended for technology demonstration program activities at any 1 port of entry demonstration site during such fiscal year.

(B) For each of the fiscal years 2008 through 2011, such sums as may be necessary to carry out subsection (f), and not more

than $10,000,000 may be expended for technology demonstration program activities at any 1 port of entry demonstration site in any such fiscal year.

(8) For each of the fiscal years 2007 through 2011, $10,000,000 to carry out subsection (g).

SEC. 112. DETENTION SPACE AND REMOVAL CAPACITY.

Section 5204(a) of the Intelligence Reform and Terrorism Protection Act of 2004 (Public Law 108-458; 118 Stat. 3734) is amended by striking ''8,000'' and inserting ''15,000''.

SEC. 113. INCREASE OF FEDERAL DETENTION SPACE AND THE UTILIZATION OF FEDERAL FACILITIES IDENTIFIED FOR CLOSURE.

(a) CONSTRUCTION OR ACQUISITION OF DETENTION FACILITIES.—

(1) IN GENERAL.—The Secretary shall construct or acquire additional detention facilities in the United States.

(2) DETERMINATION OF LOCATION.—The location of any detention facility built or acquired in accordance with this subsection shall be determined by the Deputy Assistant Director of the Office of Detention and Removal Operations within the Bureau of Immigration and Customs Enforcement of the Department.

(3) USE OF FEDERAL FACILITIES IDENTIFIED FOR CLOSURE.—In acquiring detention facilities under this subsection, the Secretary shall, to the maximum extent practical, request the transfer of appropriate portions of military installations approved for closure or realignment and any other Federal facilities identified for closure.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section.

SEC. 114. ALTERNATIVES TO DETENTION.

The Secretary shall implement demonstration programs in each State located along the international border between the United States and Canada or along the international border between the United States and Mexico to study the effectiveness of alternatives to the detention of aliens, including electronic monitoring devices and intensive supervision programs, that ensure that alien's appearance at court and compliance with removal orders.

Subtitle C—Grants for States

SEC. 121. BORDER LAW ENFORCEMENT GRANTS.

(a) LAW ENFORCEMENT AGENCY DEFINED.—In this section, the term ''law enforcement agency'' means a Tribal, State, or local law enforcement agency.

(b) AUTHORITY TO AWARD GRANTS.—The Secretary is authorized to award grants to an eligible law enforcement agency to provide assistance with costs associated with State border security efforts, including efforts to combat criminal activity that occurs in the jurisdiction of such agency by virtue of such agency's proximity to an international border of the United States.

(c) CRITERIA.—The Secretary shall award grants under subsection (b) on a competitive basis, considering criteria including—

(1) the law enforcement agency's distance from the international border, with communities closer to the border given priority because of their proximity;

(2) population, with smaller communities given priority;

(3) the criminal caseload of the law enforcement agency, based upon the number of felony criminal cases filed per judge in the United States district court located in the district that the law enforcement agency has jurisdiction over, with priority given to those with higher caseloads;

(4) the percentage of undocumented aliens residing in the law enforcement agency's State compared to the total number of such aliens residing in all States, based on the most recent decennial census; and

(5) the percentage of undocumented alien apprehensions in the law enforcement agency's State in that fiscal year compared to the total of such apprehensions for all such States for that fiscal year.

(d) USE OF FUNDS.—Grants awarded under subsection (b) shall be used to provide additional resources for a law enforcement agency to address criminal activity occurring near an international border of the United States, including—

(1) law enforcement technologies;

(2) equipment such as police-type vehicles, all terrain vehicles, firearms, sensors, cameras, and lighting; and

(3) such other resources as are available to assist the law enforcement agency.

(e) APPLICATION.—The head of a law enforcement agency seeking to apply for a grant under this section shall submit an application to the Secretary at such time, in such manner, and with such information as the Secretary may require.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $500,000,000 for each of the fiscal years 2007 through 2011 to carry out this section.

TITLE II—IMMIGRATION PROVISIONS

SEC. 201. EXPEDITED REMOVAL BETWEEN PORTS OF ENTRY.

(a) IN GENERAL.—Section 235 of the Immigration and Nationality Act (8 U.S.C. 1225) is amended—

(1) in subsection (b)(1)(A)(i), by striking ''the officer'' and inserting ''a supervisory officer''; and

(2) in subsection (c), by adding at the end the following:

''(4) EXPANSION.—The Secretary of Homeland Security shall make the expedited removal procedures under this subsection available in all border patrol sectors on the southern border of the United States as soon as operationally possible.

''(5) TRAINING.—The Secretary of Homeland Security shall provide employees of the Department of Homeland Security with comprehensive training on the procedures authorized under this subsection.''.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $20,000,000 for each of fiscal years 2007 through 2011 to carry out the amendments made by this section.

SEC. 202. CANCELLATION OF VISAS.

Section 222(g) of the Immigration and Nationality Act (8 U.S.C. 1202(g)) is amended—

(1) in paragraph (1), by inserting ''and any other nonimmigrant visa issued by the United States that is in the possession of the alien'' after ''such visa''; and

(2) in paragraph (2)(A), by striking ''(other than the visa described in paragraph (1)) issued in a consular office located in the country of the aliens nationality'' and inserting ''(other than a visa described in paragraph (1)) issued in a consular office located in the country of the aliens nationality or foreign residence''.

SEC. 203. BIOMETRIC ENTRY-EXIT SYSTEM.

(a) GROUNDS OF INADMISSIBILITY.—Section 212 of the Immigration and Nationality Act (8 U.S.C. 1182) is amended—

(1) in subsection (a)(7), by adding at the end the following:

''(C) WITHHOLDERS OF BIOMETRIC DATA.—Any alien who fails to comply with a lawful request for biometric data is inadmissible.''; and

(2) in subsection (d), by inserting after paragraph (1) the following:

''(2) The Secretary of Homeland Security may waive the application of subparagraph (C) of subsection (a)(7) for an individual alien or a class of aliens, at the discretion of the Secretary.''.

(b) COLLECTION OF BIOMETRIC DATA FROM ALIENS DEPARTING THE UNITED STATES.—Section 215 of the Immigration and Nationality Act (8 U.S.C. 1185) is amended—

(1) by redesignating subsection (c) as subsection (g); and

(2) by inserting after subsection (b) the following:

''(c) The Secretary of Homeland Security is authorized to require aliens departing the United States to provide biometric data and other information relating to their immigration status.''.

(c) INSPECTION OF APPLICANTS FOR ADMISSION.—Section 235(d) of the Immigration and Nationality Act (8 U.S.C. 1185(d)) is amended by adding at the end the following:

''(5) AUTHORITY TO COLLECT BIOMETRIC DATA.—In conducting inspections under subsection (b), immigration officers are authorized to collect biometric data from—

''(A) any applicant for admission or alien seeking to transit through the United States; or

''(B) any lawful permanent resident who is—

''(i) entering the United States; and

''(ii) not regarded as seeking an admission into the United States pursuant to section 101(a)(13)(C).''.

(d) COLLECTION OF BIOMETRIC DATA FROM ALIEN CREWMAN.—Section 252 of the Immigration and Nationality Act (8 U.S.C. 1282) is amended by inserting ''Immigration officers are authorized to collect biometric data from any alien crewman seeking permission to land temporarily in the United States.'' after ''this title''.

(e) IMPLEMENTATION.—Section 7208 of the 9/11 Commission Implementation Act of 2004 (8 U.S.C. 1365b) is amended in subsection (l)—

(1) by striking ''There are authorized'' and inserting the following:

''(1) IN GENERAL.—There are authorized''; and

(2) by adding at the end the following:

''(2) IMPLEMENTATION AT ALL LAND BORDER PORTS OF ENTRY.—There are authorized to be appropriated such sums as may be necessary for each of fiscal years 2008, 2009, and 2010 to implement the automated biometric entry and exit data system at all land border ports of entry.''.

SEC. 204. REIMBURSEMENT FOR STATES.

(a) INCARCERATION COSTS.—Section 241(i)(5) of the Immigration and Nationality Act (8 U.S.C. 1231(i)(5)) is amended to read as follows:

''(5) There are authorized to be appropriated to carry out this subsection—

''(A) $750,000,000 for fiscal year 2007;

''(B) $850,000,000 for fiscal year 2008; and

''(C) $950,000,000 for each of the fiscal years 2009 through 2011.''.

(b) REIMBURSEMENT FOR COSTS ASSOCIATED WITH PROCESSING CRIMINAL ILLEGAL ALIENS.—

(1) IN GENERAL.—The Secretary shall reimburse States and units of local government for costs associated with processing illegal aliens through the criminal justice system, including—

(A) indigent defense;

(B) criminal prosecution;

(C) autopsies;

(D) translators and interpreters; and

(E) courts costs.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $500,000,000 for each of the fiscal years 2007 through 2011 to carry out paragraph (1).

SEC. 205. COMPLETION OF BACKGROUND AND SECURITY CHECKS.

Section 103 of the Immigration and Nationality Act (8 U.S.C. 1103) is amended by adding at the end the following:

''(i) Notwithstanding any other provision of law, the Secretary of Homeland Security,

the Attorney General, or any court may not—

''(1) grant or order the grant of adjustment of status to that of an alien lawfully admitted for permanent residence;

''(2) grant or order the grant of any other status, relief, protection from removal, or other benefit under the immigration laws; or

''(3) issue any documentation evidencing or related to such grant by the Attorney General, the Secretary, or any court,

until such background and security checks as the Secretary may in his discretion require have been completed to the satisfaction of the Secretary.''.

SEC. 206. RELEASE OF ALIENS FROM NON-CONTIGUOUS COUNTRIES.

Section 236(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1226(a)(2)) is amended to read as follows:

''(2) may release the alien on bond of not less than $5,000 with security approved by, and containing conditions prescribed by, the Secretary of Homeland Security; but''.

SEC. 207. COUNTRIES THAT DO NOT ACCEPT RETURN OF NATIONALS.

Section 243(d) of the Immigration and Nationality Act (8 U.S.C. 1253(d)) is amended—

(1) by striking ''On being notified'' and inserting the following:

''(1) IN GENERAL.—Upon notification''; and

(2) by striking ''Attorney General'' each place it appears and inserting ''Secretary of Homeland Security''; and

(3) by adding at the end the following:

''(2) DENIAL OF ADMISSION.—The Secretary of Homeland Security, after making a determination that the government of a foreign country has denied or unreasonably delayed accepting an alien who is a citizen, subject, national, or resident of that country after the alien has been ordered removed, and after consultation with the Secretary of State, may deny admission to any citizen, subject, national or resident of that country until the country accepts the alien that was ordered removed.''.

TITLE III—PENALTIES

SEC. 301. INCREASED CRIMINAL PENALTIES FOR ALIEN SMUGGLING.

Section 274(a) of the Immigration and Nationality Act (8 U.S.C. 1324(a)) is amended—

(1) in paragraph (1)(B)—

(A) in clause (i), by striking ''10 years'' and inserting ''15 years'';

(B) in clause (ii), by striking ''5 years'' and inserting ''10 years''; and

(C) in clause (iii), by striking ''20 years'' and inserting ''40 years'';

(2) in paragraph (2)—

(A) in subparagraph (A), by striking ''one year, or both; or'' and inserting ''3 years, or both'';

(B) in subparagraph (B)—

(i) in clause (i), by adding at the end the following: ''be fined under title 18, United States Code, and imprisoned not less than 5 years nor more than 25 years;'';

(ii) in clause (ii), by striking ''or'' at the end and inserting the following: ''be fined under title 18, United States Code, and imprisoned not less than 3 years nor more than 20 years; or''; and

(iii) in clause (iii), by adding at the end the following: ''be fined under title 18, United States Code, and imprisoned not more than 15 years; or''; and

(C) by striking the matter following clause (iii) and inserting the following:

''(C) in the case of a third or subsequent offense described in subparagraph (B) and for any other violation, shall be fined under title 18, United States Code, and imprisoned not less than 5 years nor more than 15 years.'';

(3) in paragraph (3)(A), by striking ''5 years'' and inserting ''10 years''; and

(4) in paragraph (4), by striking ''10 years'' and inserting ''20 years''.

SEC. 302. INCREASED CRIMINAL PENALTIES FOR DOCUMENT FRAUD.

Section 1546 of title 18, United States Code, is amended—

(1) in subsection (a)—

(A) by striking ''not more than 25 years'' and inserting ''not less than 25 years'';

(B) by inserting ''and if the terrorism offense resulted in the death of any person, shall be punished by death or imprisoned for life,'' after ''section 2331 of this title)),'';

(C) by striking ''20 years'' and inserting ''imprisoned not more than 40 years'';

(D) by striking ''10 years'' and inserting ''imprisoned not more than 20 years''; and

(E) by striking ''15 years'' and inserting ''imprisoned not more than 30 years''; and

(2) in subsection (b), by striking ''5 years'' and inserting ''10 years''.

SEC. 303. INCREASED CRIMINAL PENALTIES FOR CERTAIN CRIMES.

(1) IN GENERAL.—Title 18, United States Code, is amended by inserting after chapter 51 the following:

"CHAPTER 52—ILLEGAL ALIENS

"SEC. 1131. ENHANCED PENALTIES FOR CERTAIN CRIMES COMMITTED BY ILLEGAL ALIENS.

''(a) Any alien unlawfully present in the United States, who commits, or conspires or attempts to commit, a crime of violence or a drug trafficking offense (as defined in section 924), shall be fined under this title and sentenced to not less than 5 years in prison.

''(b) If an alien who violates subsection (a) was previously ordered removed under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.) on the grounds of having committed a crime, the alien shall be sentenced to not less than 15 years in prison.

''(c) A sentence of imprisonment imposed under this section shall run consecutively to any other sentence of imprisonment imposed for any other crime.''.

(2) CLERICAL AMENDMENT.—The table of chapters at the beginning of part I of title 18, United States Code, is amended by inserting after the item relating to chapter 51 the following:

52. Illegal aliens 1131

SEC. 304. INCREASED CRIMINAL PENALTIES FOR CRIMINAL STREET GANGS.

(a) INADMISSIBILITY.—Section 212(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(2)) is amended—

(1) by redesignating subparagraph (F) as subparagraph (J); and

(2) by inserting after subparagraph (E) the following:

''(F) ALIENS WHO ARE MEMBERS OF CRIMINAL STREET GANGS.—Any alien who is determined by a court to be a member of a criminal street gang (as defined in section 521(a) of title 18, United States Code) is inadmissible.''.

(b) DEPORTABILITY.—Section 237(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1227(a)(2)) is amended by adding at the end the following:

''(F) ALIENS WHO ARE MEMBERS OF CRIMINAL STREET GANGS.—Any alien who is determined by a court to be a member of a criminal street gang (as defined in section 521(a) of title 18, United States Code) is deportable.''.

(c) TEMPORARY PROTECTED STATUS.—Section 244(c)(2)(B) of the Immigration and Nationality Act (8 U.S.C. 1254a(c)(2)(B)) is amended—

(1) in clause (i), by striking ''or'' at the end;

(2) in clause (ii), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(iii) the alien is determined by a court to be a member of a criminal street gang (as defined in section 521(a) of title 18, United States Code).''.

TITLE IV—REMOVAL AND VIOLATION TRACKING

SEC. 401. INSTITUTIONAL REMOVAL PROGRAM.

(a) INSTITUTIONAL REMOVAL PROGRAM.—

(1) CONTINUATION.—The Secretary shall continue to operate the Institutional Removal Program of the Department to—

(A) identify removable criminal aliens in Federal and State correctional facilities;

(B) ensure that such aliens are not released into the community; and

(C) remove such aliens from the United States after the completion of their sentences.

(2) EXPANSION.—Not later than 5 years after the date of the enactment of this Act, the Secretary shall expand the Institutional Removal Program to every State.

(3) STATE PARTICIPATION.—The appropriate officials of each State in which the Secretary is operating the Institutional Removal Program should—

(A) cooperate with Federal officials carrying out the Institutional Removal Program;

(B) expeditiously and systematically identify criminal aliens in the prison and jail populations of the State; and

(C) promptly convey the information described in subparagraph (B) to the appropriate officials carrying out the Institutional Removal Program.

(b) REPORT TO CONGRESS.—Not later than 2 years after of the date of the enactment of this Act, the Secretary shall submit a report to Congress on the participation of the States in the Institutional Removal Program.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $50,000,000 to carry out the expanded Institutional Removal Program authorized under subsection (a).

SEC. 402. AUTHORIZATION FOR DETENTION AFTER COMPLETION OF STATE OR LOCAL PRISON SENTENCE.

(a) IN GENERAL.—Law enforcement officers of a State or political subdivision of a State are authorized to—

(1) hold an illegal alien for a period of up to 14 days after the alien has completed the alien's State or local prison sentence in order to effectuate the transfer of the alien to Federal custody when the alien is removable or not lawfully present in the United States; or

(2) issue a detainer that would allow aliens who have served a State or local prison sentence to be detained by an appropriate prison until personnel from the Bureau of Immigration and Customs Enforcement can take the alien into Federal custody.

(b) REIMBURSEMENT.—

(1) IN GENERAL.—The Secretary shall reimburse a State or a political subdivision of a State for all reasonable expenses incurred by the State or the political subdivision for the detention of an alien as described in subsection (a).

(2) COST COMPUTATION.—The amount of reimbursement provided for costs incurred carrying out subsection (a) shall be determined pursuant to a formula determined by the Secretary.

(c) TECHNOLOGY USAGE.—Technology such as videoconferencing shall be used to the maximum extent possible in order to make the Institutional Removal Program available in remote locations. Mobile access to Federal databases of aliens and live scan technology shall be used to the maximum extent practicable in order to make these resources available to State and local law enforcement agencies in remote locations.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to reimburse a

State or political subdivision of a State for the detention of an illegal alien pursuant to subsection (b).

SEC. 403. USE OF THE NATIONAL CRIME INFORMATION CENTER DATABASE TO TRACK VIOLATIONS OF IMMIGRATION LAW.

(a) PROVISION OF INFORMATION TO THE NATIONAL CRIME INFORMATION CENTER.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary shall provide the National Crime Information Center of the Department of Justice with such information as the Director may have related to—

(A) any alien against whom a final order of removal has been issued;

(B) any alien who is subject to a voluntary departure agreement that has become invalid under section 240B(a)(2) of the Immigration and Nationality Act (8 U.S.C. 1229c); and

(C) any alien whose visa has been revoked.

(2) REQUIREMENT TO PROVIDE AND USE INFORMATION.—The information described in paragraph (1) shall be provided to the National Crime Information Center, and the Center shall enter the information into the Immigration Violators File of the National Crime Information Center database if the name and date of birth are available for the individual, regardless of whether the alien received notice of a final order of removal or the alien has already been removed.

(3) REMOVAL OF INFORMATION.—Should an individual be granted cancellation of removal under section 240A of the Immigration and Nationality Act (8 U.S.C. 1229b), or granted permission to legally enter the United States pursuant to the Immigration and Nationality Act after a voluntary departure under section 240B of the Immigration and Nationality Act (8 U.S.C. 1229c), information entered into the National Crime Information Center in accordance with paragraph (1) of this section shall be promptly removed.

(b) INCLUSION OF INFORMATION IN THE NATIONAL CRIME INFORMATION CENTER DATABASE.—Section 534(a) of title 28, United States Code, is amended—

(1) in paragraph (3), by striking ''and'' at the end;

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph:

''(4) acquire, collect, classify, and preserve records of violations of the immigration laws of the United States, regardless of whether the alien has received notice of the violation or the alien has already been removed; and''.

Mr. DORGAN. Mr. President, I am pleased to join Senator DOMENICI in introducing the Border Security and Modernization Act of 2005.

Senator DOMENICI and I represent border States, but the bill we are introducing today is not one of merely regional importance. Border security is an issue that affects our country as a whole. We cannot have homeland security without strong and effective border security.

The Administration has signaled that it wants to have a vigorous debate on border security and immigration issue early next year. Our bill does not attempt to change immigration law, but it squarely addresses the border security issue.

I began working on border security long before the attacks of September 11, 2001. The Northern border is over 4,000 miles long. In the past, almost all of our resources in this country were targeted at the Southern border. It used to be that we had ports of entry at the Northern border where, at night, the only barrier was an orange rubber cone in the middle of the road. The polite people crossing at night actually stopped and removed the cone before they came across the border. Those who were not so polite would run over it at 60 miles an hour.

In 2001, before the September 11 attacks, I proposed something called the Northern Border Initiative. That bill added hundreds of Customs officers to the Northern border, and it became law. I also worked to replace the orange cones with hardened gates. But we clearly have to do much more.

The legislation we are introducing today, which Senator DOMENICI has described in detail, would devote significant new resources to our border security. Among other things, this legislation would authorize the hiring of an additional 1,000 Customs and Border Protection inspectors and Immigration and Customs Enforcement officers a year for the next five years. It would authorize the Department of Homeland Security to work with States to use National Guard and a volunteer force of retired law enforcement officers as resources to help monitor the borders. And it would have the Federal Government reimburse State governments for the cost of detaining undocumented aliens while decisions are made regarding possible deportation.

This bipartisan proposal is not about immigration. It's about border security. We need to do a better job of securing our borders, and we need to do so on an urgent basis. We hope our colleagues will join us, on a bipartisan basis, in supporting this legislation.

By Ms. SNOWE (for herself and Ms. CANTWELL):

S. 2050. A bill to establish a commission on inland waters policy; to the Committee on Commerce, Science, and Transportation.

I rise today to introduce legislation that creates a national commission on island waters policy to support the long-term sustainability of our water resources. A 2001 National Academy of Sciences report found that U.S. Federal policies and research lack the coordination necessary to respond to increasing future demands. The overarching goal of this legislation is to recommend actions that will better coordinate and improve the Federal Government's water management policies, similar to the U.S. Commission on Ocean Policy, PL 106–256.

My legislation is supported by the American Society of Limnology and Oceanography, ASLO, and the Council of Scientific Society Presidents, CSSP, representing 1.4 million scientists and science educators. I especially want to thank Dr. Peter Jumars of the School of Marine Sciences at University of Maine at Orono and Darling Marine Center and immediate past president of ASLO, for all of his extensive knowledge and assistance that helped craft the legislation.

The bill creates a commission to study the Nation's policies for inland waters—a category that would include all lakes, streams, rivers, groundwaters, estuaries, and fresh- and salt water wetlands. The stewardship of these resources is essential to human health, the ecosystem, the economy, agriculture, energy production, and the transportation sector.

The National Academy of Sciences, NAS, issued a report in 2001 describing that water resources of the United States will be subjected to more intense and a broader array of pressures in the 21st century. It found that U.S. Federal policies and research lack the coordination necessary to respond to increasing future demands. An inland waters policy commission should be viewed as an attempt to make sure our Nation's clean water laws are achieving what Congress mandated. Water policies have been very contentious in many parts of the Nation and have oftentimes pitted people and their livelihoods against preservation concerns. Only by developing greater water research and coordinating a comprehensive national policy will the conflict between anthropogenic needs and water preservation be overcome.

Mr. Chairman, in April of this year, the GAO published a report with findings that the administration is not addressing the study of water resources, agriculture, energy, biological diversity and other areas in relation to climate change as mandated under the Global Change Research Act. None of those topics has been addressed in 21 studies that the Bush administration plans to publish by September 2007, the GAO report found, even though fairly robust climate models are now making predictions about changes in rainfall globally and nationally as the climate changes. Water policy currently has no intelligent mechanism for using this information. The GAO report points out that a comprehensive study of the Nation's water resources is needed.

The bill authorizes an appropriation of $8.5 million until expended. By comparison, the U.S. Commission on Ocean Policy appropriation was set at a total of up to $6 million for fiscal years 2001 and 2002.

I hope my colleagues will take a close look at this legislation and see the great value in supporting the long-term sustainability of our Nation's water resources.

I thank the Chair.

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

S. 2051. A bill to extend eligibility for certain Federal benefits to citizens of the Freely Associated States; to the Committee on Finance.

Mr. AKAKA. Mr. President, I rise today to introduce legislation with my senior colleague from Hawaii, Senator DAN INOUYE, to provide certain Federal

public benefits for citizens of the Freely Associated State, FAS, who are residing in the United States. The bill would provide eligibility for nonemergency Medicaid, Food Stamps, Temporary Assistance to Needy Families, TANF, and Supplemental Security Income, SSI, to FAS citizens residing in the United States.

Citizens from the FAS are from the Republic of the Marshall Islands, RMI, Federated States of Micronesia, FSM, and the Republic of Palau, which are jurisdictions that have a unique political relationship with the United States. The Compact of Free Association established these nations as sovereign states responsible for their own foreign policies. However, the FAS remain dependent upon the United States for military protection and economic assistance.

Under the compact, the United States has the right to reject the strategic use of, or military access to, the FAS by other countries, which is often referred to as the ''right of strategic denial.'' In addition, the U.S. may block FAS government policies that it deems inconsistent with its duty to defend the FAS, which is referred to as the ''defense veto.'' The compact also states that the United States has exclusive military base rights in the FAS.

In exchange for these prerogatives, the United States is required to support the FAS economically, with the goal of producing self-sufficiency, and FAS citizens are allowed free entry into the United States as nonimmigrants for the purposes of education, medical treatment, and employment. Many FAS citizens reside in the State of Hawaii. Since 1997, when Hawaii began reporting its impact costs, the State has identified more than $140 million in costs associated with FAS citizens. In 2002, the State of Hawaii expended more than $32 million in assistance to FAS citizens. P.L. 108–188, the Compact of Free Association Amendments Act of 2003, provides $30 million in annual funding for compact impact assistance to be shared between the State of Hawaii, Guam, the Commonwealth of the Northern Mariana Islands, CNMI, and American Samoa. While this funding is a positive step forward, it does not begin to reimburse the affected jurisdictions for the costs associated with FAS citizens.

This legislation would provide assistance to states and territories that shoulder the majority of the costs associated with the compact. The Federal Government must provide appropriate resources to help States meet the needs of the FAS citizens—an obligation based on a Federal commitment. It is unconscionable for a State or territory to shoulder the entire financial burden of providing necessary educational, medical, and social services to individuals who are residing in that State or territory when the obligation is that of the Federal Government. For that reason, we are seeking to provide reimbursement of these costs. It is time for the Federal Government to take up some of the financial responsibility that until now has been carried by the State of Hawaii, CNMI, Guam, and American Samoa by restoring public benefits to FAS citizens.

This bill would restore eligibility of FAS citizens for nonemergency Medicaid. FAS citizens lost many of their public benefits as a result of the Personal Responsibility and Work Opportunity, PRWORA, Act of 1996, including Medicaid coverage. FAS citizens were previously eligible for Medicaid as aliens permanently residing under color of law in the United States.

After the enactment of welfare reform, the State of Hawaii could no longer claim Federal matching funds for services rendered to FAS citizens. Yet the State of Hawaii, Guam, American Samoa, and the CNMI have continued to meet the health care needs of FAS citizens. The State of Hawaii has used its resources to provide Medicaid services to FAS citizens.

In 2003 alone, the State spent approximately $9.77 million to provide Medicaid services without receiving any federal matching funds. This represents a dramatic increase from $6.75 million in State fiscal year 2002. Furthermore, the trend in the need for health care services among FAS citizens continues to rise. During fiscal year 2004, the number of individuals served in the State of Hawaii's Medicaid program grew from 3,291 to 4,818 people based on the average monthly enrollment. This is an increase of 46 percent.

This bill would also provide eligibility for FAS citizens residing in the United States to participate in the Temporary Assistance for Needy Families and Supplemental Security Income programs. According to Hawaii's attorney general, financial assistance in the form of the Temporary Assistance to Other Needy Families, TAONF, Program, a State program, provided $5.1 million to FAS citizens in State fiscal year 2003. This continues an upward trend from $4.5 million in State fiscal year 2002. This total includes funds that go to the General Assistance Program, which supports individuals and couples with little or no income and who have a temporary, incapacitating medical condition; the aged, blind, and disabled program for FAS citizens with little or no income who are not eligible for federally-funded Supplemental Security Income; and the State's TAONF Program that assists other needy families who are not eligible for federal-funding under the Temporary Assistance to Needy Families program. The financial assistance that the State of Hawaii provides to FAS citizens in the form of TAONF is a great support to those families attempting to achieve economic stability, but it has a significant financial impact on the State's budget.

The bill would also provide eligibility for the Food Stamp Program. Mr. President, the Food Stamp Program serves as the first line of defense against hunger. It is the cornerstone of the Federal food assistance program and provides crucial support to needy households and those making the transition from welfare to work. We have partially addressed the complicated issue of alien eligibility for public benefits such as food stamps, but again, I must say it is just partial. Not only should all legal immigrants receive these benefits, but so should citizens of the FAS. Exclusion of FAS citizens from Federal, State, or local public benefits or programs is an unintended and misguided consequence of the welfare reform law. We allow certain legal immigrants eligibility in the program. Yet FAS citizens, who are not considered immigrants but who are required to up for the Selective Service if they are residing in the United States are ineligible to receiving food stamps. This bill corrects this inequity.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD. I also ask unanimous consent that a letter of support I received last week from Director Lillian Koller of the State of Hawaii, Department of Human Services be printed in the RECORD.

I look forward to working with my colleagues to enact this measure which is of critical importance to my State of Hawaii, which has borne the costs of these benefits for FAS citizens living in Hawaii for the past 19 years.

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

S. 2051

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

SECTION 1. EXCEPTION FOR CITIZENS OF FREELY ASSOCIATED STATES.

(a) IN GENERAL.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding at the end the following:

''(M) EXCEPTION FOR CITIZENS OF FREELY ASSOCIATED STATES.—With respect to eligibility for benefits for the specified Federal programs described in paragraph (3), paragraph (1) shall not apply to any individual who lawfully resides in the United States (including territories and possessions of the United States) in accordance with—

''(i) section 141 of the Compact of Free Association between the Government of the United States and the Government of the Federated States of Micronesia, approved by Congress in the Compact of Free Association Amendments Act of 2003;

''(ii) section 141 of the Compact of Free Association between the Government of the United States and the Government of the Republic of the Marshall Islands, approved by Congress in the Compact of Free Association Amendments Act of 2003; or

''(iii) section 141 of the Compact of Free Association between the Government of the United States and the Government of Palau, approved by Congress in Public Law 99–658 (100 Stat. 3672).''.

(b) MEDICAID AND TANF EXCEPTIONS.—Section 402(b)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(b)(2)) is amended by adding at the end the following:

''(G) MEDICAID AND TANF EXCEPTIONS FOR CITIZENS OF FREELY ASSOCIATED STATES.—With respect to eligibility for benefits for the programs defined in subparagraphs (A) and (C) of paragraph (3) (relating to temporary assistance for needy families and medicaid), paragraph (1) shall not apply to any individual who lawfully resides in the United States (including territories and possessions of the United States) in accordance with a Compact of Free Association referred to in subsection (a)(2)(M).''.

(c) QUALIFIED ALIEN.—Section 431(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1641(b)) is amended—

(1) in paragraph (6), by striking ''or'' at the end;

(2) in paragraph (7), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(8) an individual who lawfully resides in the United States (including territories and possessions of the United States) in accordance with a Compact of Free Association referred to in section 402(a)(2)(M).''.

(d) CONFORMING AMENDMENT.—Section 1108 of the Social Security Act (42 U.S.C. 1308) is amended—

(1) in subsection (f), in the matter preceding paragraph (1), by striking ''subsection (g)'' and inserting ''subsections (g) and (h)''; and

(2) by adding at the end the following:

''(h) The limitations of subsections (f) and (g) shall not apply with respect to medical assistance provided to an individual described in section 431(b)(8) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.''.

(e) EFFECTIVE DATE.—The amendments made by this Act take effect on the date of enactment of this Act and apply to benefits and assistance provided on or after that date.

STATE OF HAWAII,
DEPARTMENT OF HUMAN SERVICES,
Honolulu, HI, November 9, 2005.

Sen. DANIEL K. AKAKA,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR AKAKA, I am writing in support of your legislation to reinstate eligibility for Compact migrants from the Freely Associated States for various Federal programs, including Temporary Assistance for Needy Families (TANF), Supplemental Security Income (SSI), Food Stamps, and Medicaid. As you know, ''Compact migrants'' refers to those who have relocated to Hawaii from the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands. As you know, a high percentage of the Compact migrant population are poorly educated and live in poverty, and are thus part of the additional demand on the already strained social support systems of the State.

The Department of Human Services is the lead agency that administers social safety net programs for individuals and families in Hawaii. The amount of State resources that is being expended to care for Compact migrants has been steadily increasing as the number of migrants continues to grow. The costs to the State cannot be measured in the numbers of migrants alone. What is not reflected in the numbers of migrants alone, is that many of these migrants come to Hawaii with serious medical conditions that require costly intensive and extensive services. In 2004, the Department of Human Services alone spent over $26.6 million to provide services to over 10,800 migrants in our financial assistance, medical assistance, vocational rehabilitation, and youth services programs.

Allowing Compact migrants to be served with Federal funds under the TANF, SSI, Food Stamps, and Medicaid programs would tremendously assist the State of Hawaii. I appreciate your leadership in this area and look forward to continuing to work with you on your legislative efforts to assist Compact migrants in Hawaii.

Sincerely,

LILLIAN B. KOLLER, Esq.
Director.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 318—DESIGNATING NOVEMBER 27, 2005, AS ''DRIVE SAFER SUNDAY''

Mr. CHAMBLISS (for himself and Mr. ISAKSON) submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 318

Whereas motor vehicle travel is the primary means of transportation in the United States;

Whereas everyone on the roads and highways needs to drive more safely to reduce deaths and injuries resulting from motor vehicle accidents;

Whereas the death of almost 43,000 people a year in more than 6 million highway crashes in America has been called an epidemic by Transportation Secretary Norman Mineta;

Whereas according to the National Highway Transportation Safety Administration, wearing a seat belt saved 15,434 lives in 2004; and

Whereas the Sunday after Thanksgiving is the busiest highway traffic day of the year: Now, therefore, be it

Resolved, That the Senate—

(1) encourages—

(A) high schools, colleges, universities, administrators, teachers, primary schools, and secondary schools to launch campus-wide educational campaigns to urge students to be careful about safety when driving;

(B) national trucking firms to alert their drivers to be especially focused on driving safely during the heaviest traffic day of the year, and to publicize the importance of the day using Citizen's band (CB) radios and in truck stops across the Nation;

(C) clergy to remind their members to travel safely when attending services and gatherings;

(D) law enforcement personnel to remind drivers and passengers to drive particularly safely on the Sunday after Thanksgiving; and

(E) everyone to use the Sunday after Thanksgiving as an opportunity to educate themselves about highway safety; and

(2) designates November 27, 2005, as ''Drive Safer Sunday''.

SENATE RESOLUTION 319—COMMENDING RELIEF EFFORTS IN RESPONSE TO THE EARTHQUAKE IN SOUTH ASIA AND URGING A COMMITMENT BY THE UNITED STATES AND THE INTERNATIONAL COMMUNITY TO HELP REBUILD CRITICAL INFRASTRUCTURE IN THE AFFECTED AREAS

Ms. MIKULSKI submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 319

Whereas on October 8, 2005, a magnitude 7.6 earthquake struck Pakistan, India, and Afghanistan;

Whereas the epicenter of the earthquake was located near Muzaffarabad, the capital of Pakistani-administered Kashmir, and approximately 60 miles north-northeast of Islamabad, with aftershocks and landslides continuing to affect the area;

Whereas the most affected areas are the North West Frontier Province, Northern Punjab, Pakistani-administered Kashmir, and Indian-administered Kashmir;

Whereas more than 75,000 people have died, nearly 70,000 are injured, and approximately 2,900,000 people are homeless as a result of the earthquake, and, according to the Executive Director of the United Nations Children's Fund (UNICEF), 17,000 of the dead are children;

Whereas the United States has pledged a total of $156,000,000 to provide assistance in the affected countries, with $50,000,000 to be used for humanitarian relief, $50,000,000 to be used for reconstruction, and $56,000,000 to be used to support Department of Defense relief operations;

Whereas the total amount of humanitarian assistance committed to Pakistan by the United States Agency for International Development is more than $40,000,000;

Whereas the Department of Defense has deployed approximately 875 members of the Armed Forces and 31 helicopters to aid in the earthquake relief efforts;

Whereas since October 8, 2005, United States helicopters have flown more than 1,000 missions, evacuated approximately 3,400 people, and delivered nearly 5,600,000 pounds of supplies;

Whereas the delivery of humanitarian assistance to the affected areas is difficult due to the mountainous terrain, cold weather, and damaged or collapsed infrastructure;

Whereas Secretary of State Condoleezza Rice, during her October 12, 2005, visit to Pakistan, said the United States would support the efforts of the Government of Pakistan over the long-term to provide assistance to the victims of the earthquake and rebuild areas of the country devastated by the earthquake;

Whereas the cost of rebuilding the affected areas could be in excess of $1,000,000,000; and

Whereas the recovery and reconstruction of the areas devastated by the earthquake will require the concerted leadership of the United States working with the governments of the affected countries and the international community: Now, therefore, be it

Resolved, That the Senate—

(1) commends the members of the United States Armed Forces and civilian employees of the Department of State and the United States Agency for International Development for taking swift action to assist the victims of the earthquake in South Asia that occurred on October 8, 2005;

(2) commends the international relief effort that includes the work of individual countries, numerous international organizations, and various relief and nongovernmental entities;

(3) commends the Governments of Pakistan and India for their cooperation in the common cause of saving lives and providing humanitarian relief to people on both sides of the Line of Control;

(4) encourages further cooperation between Pakistan and India on relief operations and efforts to fortify and expand peace and stability in the region as they cope with the impact of the earthquake during the winter of 2005 and the spring of 2006 and seek to rehabilitate the lives of those affected;

(5) urges the United States and the world community to reaffirm their commitment to

additional generous support for relief and long-term reconstruction efforts in areas affected by the earthquake; and

(6) urges continued attention by international donors and relief agencies to the needs of vulnerable populations in the stricken countries, particularly the thousands of children who have been left parentless and homeless by the disaster.

Ms. MIKULSKI. Mr. President, today I am submitting a resolution commending relief efforts in response to the earthquake in South Asia and urging a commitment by the United States and the international community to help rebuild critical infrastructure in the affected areas.

On October 8, 2005, a devastating magnitude 7.6 earthquake hit remote mountainous regions of northern Afghanistan, Pakistan and India. More than 75,000 people have died, nearly 70,000 have been injured and 2.8 million remain homeless. On a bipartisan basis, the President and members of Congress joined the world community in expressing our sympathy and pledging our assistance to help those suffering in the face of this terrible disaster.

But expressions of sympathy are not enough. The United States must set an example and lead the world in the humanitarian effort of recovery and rebuilding. That's why I supported the initial pledge of $156 million in humanitarian aid from the United States.

The Department of Defense, the State Department and the U.S. Agency for International Development (USAID) have taken the lead in making good on that pledge. USAID has provided more than $50.1 million in assistance to Pakistan and more than $600,000 to India. The Defense Department has so far spent about $56 million on relief efforts, including sending more than 1,000 troops into Pakistan to provide urgent medical care, delivering much-needed supplies and clearing roads and opening routes for ground transportation so more help can reach those most in need.

The American private sector has also pitched in. U.S. charities have raised more than $21 million to support earthquake relief efforts. Non-government organizations like Catholic Relief Services, Mercy Corps and Save the Children all have a presence in Pakistan and are providing aid and relief. At President Bush's request, five major American corporations are encouraging additional private donations. General Electric, Pfizer, Citigroup, Xerox and UPS are coordinating a nationwide fund raising effort through the South Asia Earthquake Relief Fund. To date, more than $46 million has been donated by American corporations.

As Americans, we can all be proud of these efforts to help the people of South Asia survive, recover and rebuild. I applaud President Bush and his administration for acting quickly to provide relief and support. But I know that, together, we can do better.

That's why I support the immediate reprogramming by USAID of assistance funds for Pakistan in the FY 2006 Foreign Operations Act to help meet the immediate, emergency need for medical care and shelter. The nearly 3 million Pakistanis left homeless by the earthquake are already facing snow and freezing rain. Conservative estimates suggest another 80,000 people could die from exposure in the next few months without a massive effort to provide thousands of heated tents. Those people can not afford to wait for the next supplemental appropriations bill—we must act now.

The United States should also engage with the international community to boost relief and recovery efforts. The United Nations has already responded, convening a donors' conference to organize international relief efforts. Economic institutions like the World Bank and the Paris Club can assist long-term recovery efforts by re-examining their debt policy toward the affected countries. And members of NATO and the European Union must step-up their support for relief and recovery. NATO in particular has unique assets that can make a difference today for people on the ground in South Asia.

I also believe the United States should make a long-term investment in rebuilding the areas devastated by the earthquake. We have strong partnerships with the nations of South Asia, and we have strong affection for their people. We must commit to work with our friends for as long as it takes to help them rebuild their infrastructure, with a particular emphasis on boosting medical resources for a health care system now overwhelmed by caring for the weak and injured.

The people and governments of Pakistan, India and Afghanistan must know that the United States will be an unwavering partner in their recovery and reconstruction. Our U.S. military and the employees of the State Department and USAID are working hard to extend support to our friends in this terrible time of need. We thank them for their service and pledge that we, too, will do our part.

SENATE CONCURRENT RESOLUTION 65—RECOGNIZING THE BENEFITS AND IMPORTANCE OF FEDERALLY-QUALIFIED HEALTH CENTERS AND THEIR MEDICAID PROSPECTIVE PAYMENT SYSTEM

Mr. BURR (for himself, Mr. OBAMA, Mr. BINGAMAN, Mr. BOND, Mr. KERRY, Mr. SMITH, Mr. SALAZAR, Mr. SCHUMER, Mr. DURBIN, Ms. COLLINS, and Ms. SNOWE) submitted the following concurrent resolution; which was referred to the Committee on Finance:

S. CON. RES. 65

Whereas community, migrant, public housing, and homeless health centers form the backbone of the health care safety net of the United States, providing health care to nearly 6,000,000 of the 53,000,000 people enrolled in the Medicaid Program nationwide;

Whereas health center patients are more likely than the general population to be enrolled in Medicaid, with 36 percent of all health center patients enrolled in Medicaid compared to 12 percent nationally;

Whereas in 1989, Congress established the services of the Federally-qualified health center (FQHC) program as a guaranteed benefit under Medicaid to protect the valuable resources intended to assist health centers in caring for the uninsured;

Whereas health centers have doubled the number of uninsured people served since 1989, a growth rate more than twice that of the uninsured population of the United States;

Whereas health centers provided 17 percent of all Medicaid and State Health Insurance Program office visits in 2001;

Whereas Medicaid on average contributes 36 percent of a health center's budget, with the remainder provided by Federal grants, State and local governments, Medicare, private contributions, private insurance, and patient fees;

Whereas the cost of treating health center Medicaid patients is 30 to 34 percent less than the cost of treating those that receive care elsewhere, and similarly, 26 to 40 percent lower for prescription drug costs, 35 percent lower for diabetics, and 20 percent lower for asthmatics;

Whereas health center Medicaid patients are 22 percent less likely to be hospitalized for conditions that were potentially avoidable than those obtaining care elsewhere;

Whereas a bipartisan majority of Congress in 2000 established a prospective payment system (PPS) to ensure that Federally-qualified health centers receive sufficient Medicaid funding, thereby striking a balance between protecting the Federal investment in health centers and providing State flexibility in designing the payment system for these centers;

Whereas the prospective payment system has allowed States to appropriately predict and budget the cost of health center Medicaid expenditures;

Whereas the prospective payment system has allowed health centers to provide and expand primary care services to more people in need, while promoting efficient operation of and ensuring adequate Medicaid reimbursement for these centers;

Whereas without the assurance of sufficient Medicaid funding under the prospective payment system, health centers would be forced to cross-subsidize Medicaid underpayments with Federal grant dollars intended to care for the uninsured;

Whereas if the PPS were eliminated or changed, entire communities could be left without any access to primary and preventive health care services, thus undoing decades of investment by Congress in providing a health care safety net;

Whereas health centers provide cost-effective, high-quality health care to the poor of the Nation and the medically underserved, including the working poor, the uninsured, and many high-risk and vulnerable populations; and

Whereas health centers act as a vital safety net in the health delivery system of the Nation, meeting escalating health needs, and reducing health disparities: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) it is the sense of Congress that the Medicaid prospective payment system for the Federally-qualified health center program is critical to ensuring that both Medicaid recipients and the uninsured population of the Nation have access to quality affordable primary and preventive care services; and

(2) Congress recognizes the critical role of health centers as an essential source of health care for millions of Medicaid recipients and uninsured Americans and supports continuation of the prospective payment system in helping to maintain this system of health care.

Mr. OBAMA. Mr. President, today, Senator BURR and I are introducing a resolution that reaffirms the importance of the Medicaid prospective payment system for federally qualified health centers.

Federally qualified health centers—community, migrant, public housing, and homeless health centers—form the backbone of the Nation's health care safety net. FQHC's provide cost-effective, high-quality health care to the Nation's poor and medically underserved, including the working poor, the uninsured, and many high-risk and vulnerable populations.

Federally qualified health centers serve nearly 1 of 5 low-income children. Two-thirds of health center patients are members of racial and ethnic minority groups. And over 675,000 homeless persons receive care at health centers every year.

FQHC's play a particularly critical role in serving patients enrolled in Medicaid. Health centers provide care to nearly 6 million of the 53 million people enrolled in the Medicaid Program nationwide. Thirty-six percent of all FQHC patients are Medicaid beneficiaries compared to 12 percent nationally. Notably, the cost of treating Medicaid patients at FQHCs is about one-third less than the cost for those receiving care elsewhere, with drug costs alone about 25 percent lower.

In 2000, a bipartisan majority of the Congress established a prospective payment system, or PPS, to ensure that FQHC's receive fair Medicaid reimbursement. This system strikes a balance between protecting Federal investment in such health centers and allowing State flexibility in designing the payment system for these centers. The PPS allows health centers to provide and expand primary care services to more people in need, promotes efficient operation of FQHC's, and ensures they receive adequate Medicaid reimbursement.

Today, PPS has allowed health centers to provide quality health care to nearly 15 million people nationally, while also delivering significant cost savings to the Medicaid Program. Congress should recognize the critical role of such health centers as the primary source of care for millions of Medicaid recipients and uninsured Americans and support continuation of the prospective payment system.

SENATE CONCURRENT RESOLUTION 66—AFFIRMING THAT THE INTENT OF CONGRESS IN PASSING THE NATIONAL WILDLIFE REFUGE SYSTEM IMPROVEMENT ACT OF 1997 WAS TO ALLOW HUNTING AND FISHING ON PUBLIC LAND WITHIN THE NATIONAL WILDLIFE REFUGE SYSTEM AND DECLARING THAT THE PURPOSE OF RESERVING CERTAIN LAND AS PUBLIC LAND IS TO MAKE THE LAND AVAILABLE TO THE PUBLIC FOR REASONABLE USES

Mr. VITTER submitted the following concurrent resolution; which was referred to the Committee on Energy and Natural Resources:

S. CON. RES. 66

Whereas hunting and fishing have a long and distinguished history in the United States;

Whereas hunting and fishing remain an important part of the lifestyle and culture of people from many different areas of the country and from all walks of life;

Whereas sportsmen and sportswomen have worked for decades to ensure that public land and other land that is used for hunting and fishing is cared for, protected, and preserved;

Whereas the land that makes up the National Wildlife Refuge System has been widely used for hunting, fishing, and other sporting purposes;

Whereas in 1997, Congress passed the National Wildlife Refuge System Improvement Act of 1997 (Public Law 105–57; 111 Stat. 1252), which clearly and directly stated that hunting and fishing, as wildlife-dependent recreational activities, could be considered compatible uses of public land, including land within the National Wildlife Refuge System; and

Whereas the National Wildlife Refuge System Improvement Act of 1997 (Public Law 105–57; 111 Stat. 1252) passed by a vote of 419–1, demonstrating the nonpartisan nature of the legislation and the tremendous amount of support the legislation enjoyed: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That—

(1) in passing the National Wildlife Refuge System Improvement Act of 1997 (Public Law 105–57; 111 Stat. 1252), Congress demonstrated its clear intent to allow hunting and fishing on the public land within the National Wildlife Refuge System;

(2) the intent of Congress has not changed in any way since the date of enactment of that Act, and any assumption to the contrary is misguided and misinterprets the clear intent of Congress; and

(3) the general purpose of reserving certain land as public land, including the land within the National Wildlife Refuge System, is to make the land available to the public for reasonable uses, including hunting, fishing, other wildlife-dependent sports, and other outdoor purposes.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2598. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table.

SA 2599. Mr. CONRAD (for himself, Mr. DORGAN, and Mr. SMITH) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2600. Mr. SHELBY proposed an amendment to the bill S. 467, to extend the applicability of the Terrorism Risk Insurance Act of 2002.

SA 2601. Mr. NELSON of Florida (for himself, Mr. DORGAN, Mr. LEAHY, Mr. SCHUMER, Mr. DAYTON, Ms. STABENOW, Mr. KOHL, Mrs. MURRAY, Mr. OBAMA, Mrs. CLINTON, Ms. LANDRIEU, Mr. HARKIN, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006.

SA 2602. Mr. CONRAD proposed an amendment to the bill S. 2020, supra.

SA 2603. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2604. Mrs. CLINTON (for herself and Mr. OBAMA) submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2605. Mr. OBAMA (for himself, Mr. COBURN, Mr. LAUTENBERG, Ms. SNOWE, Mr. JOHNSON, and Mr. ENSIGN) submitted an amendment intended to be proposed by him to the bill S. 2020, supra.

SA 2606. Mr. KERRY (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2607. Mr. SUNUNU submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2608. Ms. MURKOWSKI (for herself, Mr. JOHNSON, and Mr. BINGAMAN) submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2609. Mrs. FEINSTEIN (for herself, Mr. SUNUNU, Mr. GREGG, Mr. WYDEN, Ms. CANTWELL, Mr. FEINGOLD, Mr. BURR, Mr. MCCAIN, Mr. KERRY, Ms. COLLINS, and Mrs. CLINTON) proposed an amendment to the bill S. 2020, supra.

SA 2610. Mrs. FEINSTEIN (for herself and Mr. KERRY) proposed an amendment to the bill S. 2020, supra.

SA 2611. Mr. SCHUMER (for himself, Mr. LAUTENBERG, Mrs. FEINSTEIN, Mr. FEINGOLD, Mrs. CLINTON, Mr. KERRY, Mr. LIEBERMAN, Mr. SALAZAR, Mrs. BOXER, Ms. STABENOW, Ms. MIKULSKI, Mr. KOHL, and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2612. Ms. CANTWELL (for herself, Mr. BAYH, Mr. LIEBERMAN, Mr. SCHUMER, Mrs. BOXER, Mr. CARPER, Mrs. CLINTON, Mr. SALAZAR, Mr. KOHL, Mrs. MURRAY, Ms. STABENOW, and Mrs. FEINSTEIN) proposed an amendment to the bill S. 2020, supra

SA 2613. Mr. KENNEDY (for himself, Mr. BINGAMAN, Mr. LEVIN, Mr. DURBIN, and Ms. MIKULSKI) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2614. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2615. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2616. Mr. KERRY (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 2020, supra.

SA 2617. Mr. SANTORUM submitted an amendment intended to be proposed by him

to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2618. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2619. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2620. Ms. SNOWE (for herself and Mr. SCHUMER) submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2621. Ms. SNOWE submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2622. Ms. MURKOWSKI (for herself and Mr. STEVENS) submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2623. Mr. DURBIN (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 2020, supra.

SA 2624. Mr. LEAHY (for himself, Mr. BENNETT, Mr. DOMENICI, Mr. SCHUMER, Mr. KENNEDY, Mr. BINGAMAN, Mr. LIEBERMAN, Mr. JOHNSON, Mr. WARNER, Mr. SANTORUM, and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2625. Mr. NELSON of Nebraska (for himself, Mr. DEWINE, and Ms. COLLINS) proposed an amendment to the bill S. 2020, supra.

SA 2626. Mr. REED (for himself, Mr. KENNEDY, Mr. SCHUMER, Mr. KOHL, Mr. ROCKEFELLER, Mr. KERRY, Mr. CARPER, Mr. LEAHY, Mr. DAYTON, Mr. LIEBERMAN, and Ms. STABENOW) proposed an amendment to the bill S. 2020, supra.

SA 2627. Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2628. Mr. LEVIN (for himself, Mr. COLEMAN, and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2629. Mr. DAYTON (for himself and Mr. SALAZAR) submitted an amendment intended to be proposed by him to the bill S. 2020, supra.

SA 2630. Mr. SCHUMER (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2631. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2632. Mr. LOTT (for himself and Mr. BAUCUS) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2633. Mr. LOTT submitted an amendment intended to be proposed by him to the bill S. 2020, supra.

SA 2634. Mrs. BOXER (for herself and Mr. SCHUMER) submitted an amendment intended to be proposed by her to the bill S. 2020, supra.

SA 2635. Mr. SCHUMER (for himself and Mrs. FEINSTEIN) proposed an amendment to the bill S. 2020, supra.

SA 2636. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2637. Mr. COLEMAN (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2638. Mr. BUNNING submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2639. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2640. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2641. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2642. Mr. BINGAMAN (for himself, Mr. KERRY, and Ms SNOWE) submitted an amendment intended to be proposed by him to the bill S. 2020, supra.

SA 2643. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2644. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2645. Mr. COLEMAN (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2646. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2647. Mr. GRASSLEY (for himself and Mr. BAUCUS) proposed an amendment to the bill S. 2020, supra.

SA 2648. Mr. ROBERTS submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2649. Mr. MARTINEZ (for himself and Mr. NELSON, of Florida) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2650. Mr. FEINGOLD (for himself, Mr. CONRAD, Mr. CHAFEE, Mr. OBAMA, and Mr. SALAZAR) proposed an amendment to the bill S. 2020, supra.

SA 2651. Mr. SUNUNU proposed an amendment to the bill S. 2020, supra.

SA 2652. Mrs. LINCOLN (for herself, Ms. SNOWE, Mr. OBAMA, and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by her to the bill S. 2020, supra.

SA 2653. Mr. BAUCUS (for Mr. REID (for himself, Mr. KERRY, Mr. LAUTENBERG, Ms. SNOWE, Mr. SALAZAR, Mr. BINGAMAN, Mr. JEFFORDS, Mr. BAYH, Mrs. CLINTON, Mr. HARKIN, Mrs. FEINSTEIN, and Ms. COLLINS)) proposed an amendment to the bill S. 2020, supra.

SA 2654. Mr. GRASSLEY proposed an amendment to the bill S. 2020, supra.

SA 2655. Mr. CRAIG (for himself and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by him to the bill S. 2020, supra.

SA 2656. Ms. SNOWE (for herself and Ms. COLLINS) submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2657. Mr. ROCKEFELLER (for himself, Mr. HATCH, Mr. BOND, Ms. MIKULSKI, Mr. LOTT, Ms. SNOWE, and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2658. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 2020, supra.

SA 2659. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2660. Mr. DODD (for himself and Ms. MIKULSKI) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2661. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2662. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2663. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2664. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2665. Mr. HARKIN (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 2020, supra.

SA 2666. Mr. PRYOR (for himself and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2667. Ms. SNOWE (for herself, Mr. BINGAMAN, Ms. COLLINS, and Mr. REED) proposed an amendment to the bill S. 2020, supra.

SA 2668. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 2020, supra; which was ordered to lie on the table.

SA 2669. Ms. LANDRIEU (for herself and Mr. VITTER) proposed an amendment to the bill S. 2020, supra.

SA 2670. Mr. GRASSLEY (for himself and Mr. BAUCUS) proposed an amendment to the bill S. 2020, supra.

SA 2671. Mr. FRIST (for Mr. ENZI) proposed an amendment to the bill S. 1418, to enhance the adoption of a nationwide inter operable health information technology system and to improve the quality and reduce the costs of health care in the United States.

TEXT OF AMENDMENTS

SA 2598. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

SEC. ____. COMPUTATION OF LIMITS ON IRA AND ROTH IRA CONTRIBUTIONS.

(a) CERTAIN WAGE REPLACEMENT INCOME TREATED AS COMPENSATION.—

(1) WAGE REPLACEMENT INCOME.—Section 219(f) (relating to other definitions and special rules) is amended by adding at the end the following new paragraph:

''(8) TREATMENT OF CERTAIN WAGE REPLACEMENT INCOME AS COMPENSATION.—

''(A) IN GENERAL.—Notwithstanding paragraph (1), applicable wage replacement income not otherwise treated as compensation shall be treated as compensation for purposes of this section.

''(B) APPLICABLE WAGE REPLACEMENT INCOME.—For purposes of this paragraph, the term 'applicable wage replacement income' means any amount received by an individual—

''(i) as the result of the individual having become disabled,

''(ii) as unemployment compensation (as defined in section 85(b)),

''(iii) under workmen's compensation acts, or

''(iv) which constitutes wage replacement income under regulations prescribed by the Secretary.''

(2) CERTAIN EXCLUDABLE AMOUNTS MAY BE TAKEN INTO ACCOUNT FOR PURPOSES OF ROTH IRAS.—Section 408A(c)(2) (relating to contribution limit) is amended by adding at the end the following new flush sentence:

''In determining the maximum amount under subparagraph (A), subsections (b)(1)(B) and (c) of section 219 shall be applied by taking into account compensation described in section 219(f)(8) without regard to whether it is includible in gross income.''

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2004.

(b) COMPUTATION OF MAXIMUM IRA DEDUCTION FOR ROTH IRAS USING COMPENSATION FROM 2 PRECEDING TAXABLE YEARS.—

(1) IN GENERAL.—Section 408A(c) (relating to treatment of contributions) is amended by adding at the end the following new paragraph:

''(8) COMPENSATION FROM PRECEDING 2 YEARS MAY BE TAKEN INTO ACCOUNT.—

''(A) IN GENERAL.—A taxpayer may elect for purposes of paragraph (2) to take into account any unused compensation from the 2 taxable years immediately preceding the taxable year.

''(B) UNUSED COMPENSATION.—For purposes of this paragraph, the term 'unused compensation' means with respect to an individual for any taxable year the compensation includible in the individual's gross income for the taxable year reduced by the sum of—

''(i) the amount allowed as a deduction under 219(a) to such individual for such taxable year,

''(ii) the amount of any designated nondeductible contribution (as defined in section 408(o)) on behalf of such individual for such taxable year,

''(iii) the amount of any contribution on behalf of such individual to a Roth IRA under this section for such taxable year, and

''(iv) the amount of compensation includible in such individual's gross income for such taxable year taken into account under section 219(c) in determining the limitation under section 219 or paragraph (2) for the individual's spouse.

''(C) APPLICATION TO SPECIAL RULE FOR MARRIED INDIVIDUALS.—Under rules prescribed by the Secretary, in applying section 219(c) for any taxable year for purposes of applying paragraph (2)(A), unused compensation of an individual or an individual's spouse for the 2 taxable years immediately preceding the taxable year may be taken into account.''

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2004, but unused compensation for taxable years beginning before January 1, 2005, may be taken into account for taxable years beginning after December 31, 2004.

SA 2599. Mr. CONRAD (for himself, Mr. DORGAN, and Mr. SMITH) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

SEC. ____. EXTENSION OF FULL CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(A) IN GENERAL.—Section 30(b) (relating to limitations) is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2005.

SA 2600. Mr. SHELBY proposed an amendment to the bill S. 467, to extend the applicability of the Terrorism Risk Insurance Act of 2002; as follows:

Modify section 3(c)(2) of the bill to read as follows:

(2) CONFORMING AMENDMENT.—Section 102(12)(A) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2326) is amended by striking ''surety insurance'' and inserting ''directors and officers liability insurance''.

SA 2601. Mr. NELSON of Florida (for himself, Mr. DORGAN, Mr. LEAHY, Mr. SCHUMER, Mr. DAYTON, Ms. STABENOW, Mr. KOHL, Mrs. MURRAY, Mr. OBAMA, Mrs. CLINTON, Ms. LANDRIEU, Mr. HARKIN, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV, insert the following:

SEC. ____. PROTECTION FOR MEDICARE BENEFICIARIES WHO ENROLL IN THE PRESCRIPTION DRUG BENEFIT DURING 2006.

(a) EXTENDED PERIOD OF OPEN ENROLLMENT DURING ALL OF 2006 WITHOUT LATE ENROLLMENT PENALTY.—Section 1851(e)(3)(B) of the Social Security Act (42 U.S.C. 1395w–21(e)(3)(B)) is amended—

(1) in clause (iii), by striking ''May 15, 2006'' and inserting ''December 31, 2006''; and

(2) by adding at the end the following new sentence:

''An individual making an election during the period beginning on November 15, 2006, and ending on December 15, 2006, shall specify whether the election is to be effective with respect to 2006 or with respect to 2007 (or both).''.

(b) ONE-TIME CHANGE OF PLAN ENROLLMENT FOR MEDICARE PRESCRIPTION DRUG BENEFIT DURING ALL OF 2006.—

(1) IN GENERAL.—Section 1851(e) of the Social Security Act (42 U.S.C. 1395w–21(e)) is amended—

(A) in paragraph (2)(B)—

(i) in the heading, by striking ''FOR FIRST 6 MONTHS'';

(ii) in clause (i)—

(I) by striking ''the first 6 months of 2006'' and inserting ''2006''; and

(II) by striking ''the first 6 months during 2006'' and inserting ''2006''; and

(iii) in clause (ii), by inserting ''(other than during 2006)'' after ''paragraph (3)''; and

(B) in paragraph (4), by striking ''2006'' and inserting ''2007'' each place it appears.

(2) CONFORMING AMENDMENT.—Section 1860D–1(b)(1)(B)(iii) of the Social Security Act (42 U.S.C. 1395w–101(b)(1)(B)(iii)) is amended by striking ''subparagraphs (B) and (C) of paragraph (2)'' and inserting ''paragraph (2)(C)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (Public Law 108–173).

SA 2602. Mr. CONRAD proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; AMENDMENT OF 1986 CODE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Fiscal Responsibility Act of 2005''.

(b) AMENDMENT OF 1986 CODE.—Except as otherwise expressly provided, whenever in this Act 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 Internal Revenue Code of 1986.

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

Sec. 1. Short title; amendment of 1986 Code; table of contents.

TITLE I—TAX BENEFITS FOR AREAS AFFECTED BY HURRICANES KATRINA, RITA, AND WILMA

Subtitle A—Gulf Recovery Zone Benefits

Sec. 101. Gulf Recovery Zone benefits.
Sec. 102. Expansion of Hope Scholarship and Lifetime Learning Credit for students in the Gulf Recovery Zone.
Sec. 103. Extension of special rules for mortgage revenue bonds.

Subtitle B—Tax Benefits Related to Hurricanes Rita and Wilma

Sec. 111. Extension of certain emergency tax relief for Hurricane Katrina to Hurricanes Rita and Wilma.

TITLE II—EXTENSION OF EXPIRING PROVISIONS

Sec. 201. Extension and increase in minimum tax relief to individuals.
Sec. 202. Allowance of nonrefundable personal credits against regular and minimum tax liability.
Sec. 203. Election to deduct State and local sales taxes in lieu of State and local income taxes.
Sec. 204. Tuition deduction.
Sec. 205. Extension and modification of research credit.
Sec. 206. Extension and modifications to work opportunity credit and welfare-to-work credit.
Sec. 207. Qualified zone academy bonds.
Sec. 208. Deduction for certain expenses of school teachers.
Sec. 209. Tax incentives for investment in the District of Columbia.
Sec. 210. Indian employment tax credit.
Sec. 211. Accelerated depreciation for business property on Indian reservation.
Sec. 212. Extension and expansion of charitable contribution allowed for scientific property used for research and for computer technology and equipment used for educational purposes.
Sec. 213. Expensing of brownfields remediation costs.
Sec. 214. Extension of full credit for qualified electric vehicles.
Sec. 215. Fifteen-year straight-line cost recovery for qualified leasehold improvements and qualified restaurant improvements.
Sec. 216. Application of EGTRRA sunset to this title.

TITLE III—REVENUE PROVISIONS

Subtitle A—Provisions Relating to Tax Shelters

Sec. 301. Clarification of economic substance doctrine.
Sec. 302. Penalty for understatements attributable to transactions lacking economic substance, etc.

Sec. 303. Denial of deduction for interest on underpayments attributable to noneconomic substance transactions.
Sec. 304. Modifications of effective dates of leasing provisions of the American Jobs Creation Act of 2004.
Sec. 305. Revaluation of LIFO inventories of large integrated oil companies.
Sec. 306. Modification of effective date of exception from suspension rules for certain listed and reportable transactions.
Sec. 307. Doubling of certain penalties, fines, and interest on underpayments related to certain offshore financial arrangements.
Sec. 308. Penalty for aiding and abetting the understatement of tax liability.

Subtitle B—Provisions to Close Corporate and Individual Loopholes

Sec. 311. Tax treatment of inverted entities.
Sec. 312. Grant of Treasury regulatory authority to address foreign tax credit transactions involving inappropriate separation of foreign taxes from related foreign income.
Sec. 313. Treatment of contingent payment convertible debt instruments.
Sec. 314. Application of earnings stripping rules to partners which are corporations.
Sec. 315. Denial of deduction for certain fines, penalties, and other amounts.
Sec. 316. Disallowance of deduction for punitive damages.
Sec. 317. Limitation of employer deduction for certain entertainment expenses.
Sec. 318. Imposition of mark-to-market tax on individuals who expatriate.
Sec. 319. Modification of exclusion for citizens living abroad.
Sec. 320. Limitation on annual amounts which may be deferred under nonqualified deferred compensation arrangements.
Sec. 321. Increase in age of minor children whose unearned income is taxed as if parent's income.

Subtitle C—Oil and Gas Provisions

Sec. 331. Extension of superfund taxes.
Sec. 332. Modifications of foreign tax credit rules applicable to dual capacity taxpayers.
Sec. 333. Rules relating to foreign oil and gas income.
Sec. 334. Modification of credit for producing fuel from a nonconventional source.
Sec. 335. Elimination of amortization of geological and geophysical expenditures for major integrated oil companies.

Subtitle D—Tax Administration Provisions

Sec. 341. Imposition of withholding on certain payments made by government entities.
Sec. 342. Increase in certain criminal penalties.
Sec. 343. Repeal of suspension of interest and certain penalties where Secretary fails to contact taxpayer.
Sec. 344. Increase in penalty for bad checks and money orders.
Sec. 345. Frivolous tax submissions.
Sec. 346. Partial payments required with submission of offers-in-compromise.
Sec. 347. Waiver of user fee for installment agreements using automated withdrawals.
Sec. 348. Termination of installment agreements.

Subtitle E—Additional Provisions

Sec. 351. Modification of individual estimated tax safe harbor.
Sec. 352. Loan and redemption requirements on pooled financing requirements.
Sec. 353. Reporting of interest on tax-exempt bonds.

TITLE I—TAX BENEFITS FOR AREAS AFFECTED BY HURRICANES KATRINA, RITA, AND WILMA

Subtitle A—Gulf Recovery Zone Benefits

SEC. 101. GULF RECOVERY ZONE BENEFITS.

(a) IN GENERAL.—Chapter 1 is amended by adding at the end the following new subchapter:

"Subchapter Z—Hurricane Relief Benefits

''Sec. 1400N. Definitions.
''Sec. 1400O. Tax benefits for Gulf Recovery Zone.

"SEC. 1400N. DEFINITIONS.

''For purposes of this subchapter—

''(1) GULF RECOVERY ZONE.—The term 'Gulf Recovery Zone' means that portion of the Hurricane Katrina disaster area determined by the President to warrant individual or individual and public assistance from the Federal Government under the Robert T. Stafford Disaster Relief and Emergency Assistance Act by reason of Hurricane Katrina.

''(2) HURRICANE KATRINA DISASTER AREA.—The term 'Hurricane Katrina disaster area' means an area with respect to which a major disaster has been declared by the President before September 14, 2005, under section 401 of such Act by reason of Hurricane Katrina.

''(3) RITA ZONE.—The term 'Rita Zone' means that portion of the Hurricane Rita disaster area determined by the President to warrant individual or individual and public assistance from the Federal Government under such Act by reason of Hurricane Rita.

''(4) HURRICANE RITA DISASTER AREA.—The term 'Hurricane Rita disaster area' means an area with respect to which a major disaster has been declared by the President before October 6, 2005, under section 401 of such Act by reason of Hurricane Rita.

''(5) WILMA ZONE.—The term 'Wilma Zone' means that portion of the Hurricane Wilma disaster area determined by the President to warrant individual or individual and public assistance from the Federal Government under such Act by reason of Hurricane Wilma.

''(6) HURRICANE WILMA DISASTER AREA.—The term 'Hurricane Wilma disaster area' means an area with respect to which a major disaster has been declared by the President before October 25, 2005, under section 401 of such Act by reason of Hurricane Wilma.

"SEC. 1400O. TAX BENEFITS FOR GULF RECOVERY ZONE.

''(a) SPECIAL ALLOWANCE FOR CERTAIN PROPERTY ACQUIRED AFTER AUGUST 27, 2005.—

''(1) ADDITIONAL ALLOWANCE.—In the case of any qualified Gulf Recovery Zone property—

''(A) the depreciation deduction provided by section 167(a) for the taxable year in which such property is placed in service shall include an allowance equal to 50 percent of the adjusted basis of such property, and

''(B) the adjusted basis of the qualified Gulf Recovery Zone property shall be reduced by the amount of such deduction before computing the amount otherwise allowable as a depreciation deduction under this chapter for such taxable year and any subsequent taxable year.

''(2) QUALIFIED GULF RECOVERY ZONE PROPERTY.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified Gulf Recovery Zone property' means property—

''(i)(I) which is described in section 168(k)(2)(A)(i), or

''(II) which is nonresidential real property or residential rental property,

''(ii) substantially all of the use of which is in the Gulf Recovery Zone and is in the active conduct of a trade or business by the taxpayer in such Zone,

''(iii) the original use of which in the Gulf Recovery Zone commences with the taxpayer after August 27, 2005,

''(iv) which is acquired by the taxpayer by purchase (as defined in section 179(d)) after August 27, 2005, but only if no written binding contract for the acquisition was in effect before August 28, 2005, and

''(v) which is placed in service by the taxpayer on or before the termination date.

The term 'termination date' means December 31, 2007 (December 31, 2008, in the case of nonresidential real property and residential rental property).

''(B) EXCEPTIONS.—

''(i) ALTERNATIVE DEPRECIATION PROPERTY.—The term 'qualified Gulf Recovery Zone property' shall not include any property described in section 168(k)(2)(D)(i).

''(ii) TAX-EXEMPT BOND-FINANCED PROPERTY.—Such term shall not include any property any portion of which is financed with the proceeds of any obligation the interest on which is exempt from tax under section 103.

''(iii) QUALIFIED REVITALIZATION BUILDINGS.—Such term shall not include any qualified revitalization building with respect to which the taxpayer has elected the application of paragraph (1) or (2) of section 1400I(a).

''(iv) ELECTION OUT.—For purposes of this subsection, rules similar to the rules of section 168(k)(2)(D)(iii) shall apply.

''(C) SPECIAL RULES.—For purposes of this subsection, rules similar to the rules of section 168(k)(2)(E) shall apply, except that—

''(i) clause (i) thereof shall be applied by substituting 'after August 27, 2005, and before the termination date (as defined in section 1400O(a)(2))' for 'after September 10, 2001, and before January 1, 2005',

''(ii) clauses (ii), (iii), and (iv) thereof shall be applied by substituting 'August 27, 2005' for 'September 10, 2001' each place it appears, and

''(iii) clause (iv) thereof shall be applied by substituting 'qualified Gulf Recovery Zone property' for 'qualified property'.

''(D) ALLOWANCE AGAINST ALTERNATIVE MINIMUM TAX.—For purposes of this subsection, rules similar to the rules of section 168(k)(2)(G) shall apply.

''(3) RECAPTURE.—For purposes of this subsection, rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified Gulf Recovery Zone property which ceases to be qualified Gulf Recovery Zone property.

''(b) INCREASE IN EXPENSING UNDER SECTION 179.—

''(1) IN GENERAL.—For purposes of section 179—

''(A) the $100,000 amount in section 179(b)(1) for the taxable year shall be increased by the lesser of—

''(i) $100,000, or

''(ii) the cost of section 179 property (as defined in section 179(d)) which is qualified Gulf Recovery Zone property placed in service during the taxable year, and

''(B) the $400,000 amount in section 179(b)(2) for the taxable year shall be increased by the lesser of—

''(i) $600,000, or

''(ii) the cost of section 179 property (as so defined) which is qualified Gulf Recovery Zone property placed in service during the taxable year.

''(2) QUALIFIED GULF RECOVERY ZONE PROPERTY.—For purposes of this subsection, the

term 'qualified Gulf Recovery Zone property' has the meaning given such term by subsection (a)(2).

''(3) COORDINATION WITH EMPOWERMENT ZONES AND RENEWAL COMMUNITIES.—For purposes of sections 1397A and 1400J, qualified Gulf Recovery Zone property shall not be treated as qualified zone property or qualified renewal property for any taxable year, unless the taxpayer elects not to have this subsection apply to all such qualified Gulf Recovery Zone property placed in service by the taxpayer during the taxable year.

''(4) RECAPTURE.—Rules similar to the rules under section 179(d)(10) shall apply with respect to any qualified Gulf Recovery Zone property which ceases to be Gulf Recovery Zone property.

''(c) TAX-EXEMPT BOND FINANCING.—

''(1) IN GENERAL.—For purposes of this title, any qualified Gulf Recovery Zone Bond shall be treated as a qualified bond.

''(2) QUALIFIED GULF RECOVERY ZONE BOND.—For purposes of this subsection, the term 'qualified Gulf Recovery Zone Bond' means any bond issued as part of an issue if—

''(A) except as provided in paragraph (4), such bond meets the applicable requirements of part IV of subchapter B of this chapter,

''(B) such bond is issued by the State of Alabama, Louisiana, or Mississippi (or any political subdivision thereof),

''(C) the Governor of such State designates such bond for purposes of this section, and

''(D) such bond is issued after the date of the enactment of this section and before January 1, 2011.

''(3) LIMITATION ON AGGREGATE AMOUNT OF BONDS DESIGNATED.—The maximum aggregate face amount of bonds which may be designated under this subsection shall not exceed the product of $2,500 multiplied by the portion of the State population which is in the Gulf Recovery Zone (as determined on the basis of the most recent census estimate of resident population released by the Bureau of Census before August 28, 2005).

''(4) SPECIAL RULES.—In applying this title to any qualified Gulf Recovery Zone Bond, the following modifications shall apply:

''(A) Section 143 (relating to mortgage revenue bonds: qualified mortgage bond and qualified veterans' mortgage bond) shall be applied—

''(i) by treating any residence in the Gulf Recovery Zone as a targeted area residence,

''(ii) by applying subsection (f)(3) without regard to subparagraph (A) thereof, and

''(iii) by substituting '$150,000' for '$15,000' in subsection (k)(4) thereof.

''(B) Section 146 (relating to volume cap) shall not apply.

''(C) Section 57(a)(5) shall not apply.

''(5) SEPARATE ISSUE TREATMENT OF PORTIONS OF AN ISSUE.—This subsection shall not apply to the portion of an issue which (if issued as a separate issue) would be treated as a qualified bond or as a bond that is not a private activity bond (determined without regard to paragraph (1)), if the issuer elects to so treat such portion.

''(d) ADVANCE REFUNDINGS OF CERTAIN TAX-EXEMPT BONDS.—

''(1) IN GENERAL.—With respect to a bond described in paragraph (2) issued as part of an issue 90 percent (95 percent in the case of a bond described in paragraph (2)(B)) or more of the net proceeds (as defined in section 150(a)(3)) of which were used to finance facilities located within the Gulf Recovery Zone (or property which is functionally related and subordinate to facilities located within the Gulf Recovery Zone), one additional advanced refunding after the date of the enactment of this section and before January 1, 2007, shall be allowed under the applicable rules of section 149(d) if—

''(A) the chief executive officer of the issuer of the bond designates the advance refunding bond for purposes of this subsection, and

''(B) the requirements of paragraph (3) are met.

''(2) BONDS DESCRIBED.—A bond is described in this paragraph if such bond was outstanding on August 27, 2005, and is—

''(A) a State or local bond (as defined in section 103(c)(1)) other than a private activity bond (as defined in section 141(a)) issued by the State of Alabama, Louisiana, or Mississippi (or any political subdivision thereof), or

''(B) a qualified 501(c)(3) bond (as defined in section 145(a)) issued by or on behalf of any such State or political subdivision.

''(3) ADDITIONAL REQUIREMENTS.—The requirements of this paragraph are met with respect to any advance refunding of a bond described in paragraph (2) if—

''(A) no advance refundings of such bond would be allowed under any provision of law after August 27, 2005,

''(B) the advance refunding bond is the only other outstanding bond with respect to the refunded bond, and

''(C) the requirements of section 148 are met with respect to all bonds issued under this subsection.

''(e) LOW-INCOME HOUSING CREDIT.—

''(1) INCREASE IN STATE HOUSING CREDIT CEILING.—

''(A) IN GENERAL.—In the case of the State of Alabama, Louisiana, or Mississippi—

''(i) the amount otherwise determined under subclause (I) of section 42(h)(3)(C)(ii) for each calendar year beginning after 2005 and before 2010 shall be increased by an amount equal to 3 times the dollar amount otherwise specified for such calendar year under such subclause multiplied by the State population located in the Gulf Recovery Zone (as determined on the basis of the most recent census estimate of resident population released by the Bureau of Census before August 28, 2005), and

''(ii) the unused State housing credit ceiling for such State for any calendar year under section 42(h)(3)(C)(i) shall be determined without regard to the amount of the increase determined under clause (i).

''(B) ELECTIVE CARRYFORWARD OF UNUSED INCREASED CEILING.—

''(i) IN GENERAL.—If the amount determined under section 42(h)(3)(C)(ii)(I), as increased under subparagraph (A)(i), for any calendar year for any State described in subparagraph (A) exceeds the aggregate housing credit dollar amount allocated during such calendar year by such State, such State may elect to treat as a carryforward to the following calendar year an amount equal to lesser of—

''(I) the amount of such excess, or

''(II) the amount by which the amount determined under section 42(h)(3)(C)(ii)(I) for such calendar year was increased under subparagraph (A)(i)).

''(ii) USE OF CARRYFORWARD.—If any State elects a carryforward under clause (i), any housing credit dollar amount allocated by such State during the calendar year following the calendar year in which the carryforward arose shall not be considered so allocated for purposes of section 42(h)(3)(C) and section 42(h)(3)(D) to the extent such housing credit dollar amount does not exceed the amount of the carryforward elected.

''(2) DIFFICULT DEVELOPMENT AREA.—

''(A) IN GENERAL.—For purposes of section 42—

''(i) in the case of property placed in service during 2006, 2007, or 2008, the Gulf Recovery Zone—

''(I) shall be treated as a difficult development area designated under subclause (I) of section 42(d)(5)(C)(iii), and

''(II) shall not be taken into account for purposes of applying the limitation under subclause (II) of such section, and

''(ii) subsection (b)(2)(B) thereof shall be applied with respect to any such property placed in service in the Gulf Recovery Zone by substituting '91 percent' and '39 percent' for '70 percent' and '30 percent', respectively.

''(B) APPLICATION.—Subparagraph (A) shall apply only to—

''(i) housing credit dollar amounts allocated during the period beginning on January 1, 2006, and ending on December 31, 2008, and

''(ii) buildings placed in service during such period to the extent that paragraph (1) of section 42(h) does not apply to any building by reason of paragraph (4) thereof, but only with respect to bonds issued after December 31, 2005.

''(f) TREATMENT OF REPRESENTATIONS REGARDING INCOME ELIGIBILITY FOR PURPOSES OF QUALIFIED RESIDENTIAL RENTAL PROJECT REQUIREMENTS.—For purposes of determining if any residential rental project meets the requirements of section 142(d)(1) and if any certification with respect to such project meets the requirements under section 142(d)(7), the operator of the project may rely on the representations of any individual applying for tenancy in such project that such individual's income will not exceed the applicable income limits of section 142(d)(1) upon commencement of the individual's tenancy if such tenancy begins during the 6-month period beginning on and after the date such individual was displaced by reason of Hurricane Katrina.

''(g) APPLICATION OF NEW MARKETS TAX CREDIT TO INVESTMENTS IN COMMUNITY DEVELOPMENT ENTITIES SERVING GULF RECOVERY ZONE.—For purposes of section 45D—

''(1) a qualified community development entity shall be eligible for an allocation under subsection (f)(2) thereof of the increase in the new markets tax credit limitation described in paragraph (2) only if a significant mission of such entity is the recovery and redevelopment of the Gulf Recovery Zone,

''(2) the new markets tax credit limitation otherwise determined under subsection (f)(1) thereof shall be increased by an amount equal to—

''(A) $300,000,000 for 2005 and 2006, to be allocated among qualified community development entities to make qualified low-income community investments within the Gulf Recovery Zone, and

''(B) $400,000,000 for 2007, to be so allocated, and

''(3) subsection (f)(3) thereof shall be applied separately with respect to the amount of the increase under paragraph (2).

''(h) TREATMENT OF NET OPERATING LOSSES ATTRIBUTABLE TO GULF RECOVERY ZONE LOSSES.—

''(1) IN GENERAL.—If a portion of any net operating loss of the taxpayer for any taxable year is a qualified Gulf Recovery Zone loss, the following rules shall apply:

''(A) EXTENSION OF CARRYBACK PERIOD.—Section 172(b)(1) shall be applied with respect to such portion—

''(i) by substituting '5 taxable years' for '2 taxable years' in subparagraph (A)(i), and

''(ii) by not taking such portion into account in determining any eligible loss of the taxpayer under subparagraph (F) for the taxable year.

''(B) SUSPENSION OF 90 PERCENT AMT LIMITATION.—Section 56(d)(1) shall be applied by increasing the amount determined under subparagraph (A)(ii)(I) thereof by the sum of the carrybacks and carryovers of any net operating loss attributable to such portion.

''(2) QUALIFIED GULF RECOVERY ZONE LOSS.—For purposes of paragraph (1), the term 'qualified Gulf Recovery Zone loss' means the lesser of—

''(A) the amount of the net operating loss for the taxable year, or

''(B) the aggregate amount of the following deductions for such taxable year:

''(i) Any deduction for any qualified Gulf Recovery Zone casualty loss.

''(ii) Any deduction for moving expenses paid or incurred after August 27, 2005, and before January 1, 2008, and allowable under this chapter to any taxpayer in connection with the employment of any individual—

''(I) whose principal place of abode was located in the Gulf Recovery Zone before August 28, 2005,

''(II) who was unable to remain in such abode as the result of Hurricane Katrina, and

''(III) whose principal place of employment with the taxpayer after such expense is located in the Gulf Recovery Zone.

For purposes of this clause, the term 'moving expenses' has the meaning given such term by section 217(b), except that the taxpayer's former residence and new residence may be the same residence if the initial vacating of the residence was as the result of Hurricane Katrina.

''(iii) Any deduction for expenses paid or incurred after August 27, 2005, and before January 1, 2008, and allowable under this chapter to temporarily house any employee of the taxpayer whose principal place of employment is in the Gulf Recovery Zone.

''(iv) Any deduction for depreciation (or amortization in lieu of depreciation) allowable under this chapter with respect to any qualified Gulf Recovery Zone property (as defined in subsection (a)(2)) for the taxable year such property is placed in service.

''(v) Any deduction for repair expenses (including expenses for removal of debris) allowable under this chapter paid or incurred after August 27, 2005, and before January 1, 2008, with respect to any damage attributable to Hurricane Katrina and in connection with property which is located in the Gulf Recovery Zone.

''(3) QUALIFIED GULF RECOVERY ZONE CASUALTY LOSS.—

''(A) IN GENERAL.—For purposes of paragraph (2)(B)(i), the term 'qualified Gulf Recovery Zone casualty loss' means any uncompensated section 1231 loss (as defined in section 1231(a)(3)(B)) of property located in the Gulf Recovery Zone if—

''(i) such loss is allowed as a deduction under section 165 for the taxable year, and

''(ii) such loss is attributable to Hurricane Katrina.

''(B) REDUCTION FOR GAINS FROM INVOLUNTARY CONVERSION.—The amount of qualified Gulf Recovery Zone casualty loss which would (but for this subparagraph) be taken into account under subparagraph (A) for any taxable year shall be reduced by the amount of any gain recognized by the taxpayer for such year from the involuntary conversion by reason of Hurricane Katrina of property located in the Gulf Recovery Zone.

''(C) COORDINATION WITH GENERAL DISASTER LOSS RULES.—Subsection (j) and section 165(i) shall not apply to any qualified Gulf Recovery Zone casualty loss to the extent such loss is taken into account under this subsection.

''(4) SPECIAL RULES.—For purposes of paragraph (1), rules similar to the rules of paragraphs (2) and (3) of section 172(i) shall apply with respect to such portion.

''(i) TREATMENT OF PUBLIC UTILITY PROPERTY DISASTER LOSSES.—

''(1) IN GENERAL.—Upon the election of the taxpayer, in the case of any eligible public utility property loss—

''(A) section 165(i) shall be applied by substituting 'the fifth taxable year immediately preceding' for 'the taxable year immediately preceding',

''(B) an application for a tentative carryback adjustment of the tax for any prior taxable year affected by the application of subparagraph (A) may be made under section 6411, and

''(C) section 6611 shall not apply to any overpayment attributable to such loss.

''(2) ELIGIBLE PUBLIC UTILITY PROPERTY LOSS.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'eligible public utility property loss' means any loss with respect to public utility property located in the Gulf Recovery Zone and attributable to Hurricane Katrina.

''(B) PUBLIC UTILITY PROPERTY.—The term 'public utility property' has the meaning given such term by section 168(i)(10) without regard to the matter following subparagraph (D) thereof.

''(3) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the application of paragraph (1) is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this section by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

''(j) SPECIAL RULE FOR GULF RECOVERY ZONE PUBLIC UTILITY CASUALTY LOSSES.—

''(1) IN GENERAL.—The amount described in section 172(f)(1)(A) for any taxable year shall be increased by the amount of the Gulf Recovery Zone public utility casualty loss for such year.

''(2) GULF RECOVERY ZONE PUBLIC UTILITY CASUALTY LOSS.—For purposes of this subsection, the term 'Gulf Recovery Zone public utility casualty loss' means any casualty loss of public utility property (as defined in section 168(i)(10)) located in the Gulf Recovery Zone if—

''(A) such loss is allowed as a deduction under section 165 for the taxable year,

''(B) such loss is attributable to Hurricane Katrina, and

''(C) the taxpayer elects the application of this subsection with respect to such loss.

''(3) REDUCTION FOR GAINS FROM INVOLUNTARY CONVERSION.—The amount of Gulf Recovery Zone public utility casualty loss which would (but for this paragraph) be taken into account under paragraph (1) for any taxable year shall be reduced by the amount of any gain recognized by the taxpayer for such year from the involuntary conversion by reason of Hurricane Katrina of public utility property (as so defined) located in the Gulf Recovery Zone.

''(4) COORDINATION WITH GENERAL DISASTER LOSS RULES.—Subsection (h) and section 165(i) shall not apply to any Gulf Recovery Zone public utility casualty loss to the extent such loss is taken into account under paragraph (1).

''(5) ELECTION.—Any election under paragraph (2)(C) shall be made in such manner as may be prescribed by the Secretary and shall be made by the due date (including extensions of time) for filing the taxpayer's return for the taxable year of the loss. Such election, once made for any taxable year, shall be irrevocable for such taxable year.

''(k) SPECIAL RULES FOR SMALL TIMBER PRODUCERS.—

''(1) INCREASED EXPENSING FOR QUALIFIED TIMBER PROPERTY.—In the case of qualified timber property any portion of which is located in the Gulf Recovery Zone, in that portion of the Rita Zone which is not part of the Gulf Recovery Zone, or in the Wilma Zone, the limitation under subparagraph (B) of section 194(b)(1) shall be increased by the lesser of—

''(A) the limitation which would (but for this subsection) apply under such subparagraph, or

''(B) the amount of reforestation expenditures (as defined in section 194(c)(3)) paid or incurred by the taxpayer with respect to such qualified timber property during the specified portion of the taxable year.

''(2) 5 YEAR NOL CARRYBACK OF CERTAIN TIMBER LOSSES.—For purposes of determining farming loss under section 172(i), income and deductions which are allocable to the specified portion of the taxable year and which are attributable to qualified timber property any portion of which is located in the Gulf Recovery Zone, in that portion of the Rita Zone which is not part of the Gulf Recovery Zone, or in the Wilma Zone shall be treated as attributable to farming businesses.

''(3) RULES NOT APPLICABLE TO CERTAIN ENTITIES.—Paragraphs (1) and (2) shall not apply to any taxpayer which—

''(A) is a corporation the stock of which is publicly traded on an established securities market, or

''(B) is a real estate investment trust.

''(4) RULES NOT APPLICABLE TO LARGE TIMBER PRODUCERS.—Paragraphs (1) and (2) shall not apply with respect to any qualified timber property unless—

''(A) such property was held by the taxpayer—

''(i) on August 28, 2005, in the case of qualified timber property any portion of which is located in the Gulf Recovery Zone,

''(ii) on September 23, 2005, in the case of qualified timber property (other than property described in subclause (I)) any portion of which is located in that portion of the Rita Zone which is not part of the Gulf Recovery Zone, or

''(iii) on October 23, 2005, in the case of qualified timber property (other than property described in subclause (I) or (II)) any portion of which is located in the Wilma Zone, and

''(B) such taxpayer held not more than 500 acres of qualified timber property on such date.

''(5) DEFINITIONS.—For purposes of this subsection—

''(A) SPECIFIED PORTION.—The term 'specified portion' means—

''(i) in the case of qualified timber property located in the Gulf Recovery Zone, that portion of the taxable year which is on or after August 28, 2005, and before January 1, 2007,

''(ii) in the case of qualified timber property located in the Rita Zone and no part of which is located in the Gulf Recovery Zone, that portion of the taxable year which is on or after September 23, 2005, and before January 1, 2007, and

''(iii) in the case of qualified timber property located in the Wilma Zone, that portion of the taxable year which is on or after October 23, 2005, and before January 1, 2007.

''(B) QUALIFIED TIMBER PROPERTY.—The term 'qualified timber property' has the meaning given such term in section 194(c)(1).

''(l) EXPENSING FOR CERTAIN DEMOLITION AND CLEAN-UP COSTS.—

''(1) IN GENERAL.—A taxpayer may elect to treat 50 percent of any qualified Gulf Recovery Zone clean-up cost as an expense which is not chargeable to capital account. Any cost so treated shall be allowed as a deduction for the taxable year in which such cost is paid or incurred.

''(2) GULF RECOVERY ZONE CLEAN-UP COST.—For purposes of this subsection, the term 'Gulf Recovery Zone clean-up cost' means any amount paid or incurred during the period beginning on August 28, 2005, and ending

on December 31, 2007, for the removal of debris from, or the demolition of structures on, real property which is located in the Gulf Recovery Zone and which is—

''(A) held by the taxpayer for use in a trade or business or for the production of income, or

''(B) property described in section 1221(a)(1) in the hands of the taxpayer.

For purposes of the preceding sentence, amounts paid or incurred shall be taken into account only to the extent that such amount would (but for paragraph (1)) be chargeable to capital account.

''(m) EXTENSION OF EXPENSING FOR ENVIRONMENTAL REMEDIATION COSTS.—With respect to any qualified environmental remediation expenditure (as defined in section 198(b)) paid or incurred on or after August 28, 2005, in connection with a qualified contaminated site located in the Gulf Recovery Zone, section 198 (relating to expensing of environmental remediation costs) shall be applied—

''(1) by substituting 'December 31, 2007' for 'December 31, 2006' in subsection (h) thereof, and

''(2) except as provided in section 198(d)(2), by treating petroleum products (as defined in section 4612(a)(3)) as a hazardous substance.

''(n) GULF RECOVERY ZONE.—For purposes of this section, the term 'Gulf Recovery Zone' means an area—

''(1) with respect to which a major disaster has been declared by the President under section 401 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act as a result of Hurricane Katrina, and

''(2) which is determined by the President to warrant individual assistance, or individual and public assistance, from the Federal Government under such Act.''

(b) CLERICAL AMENDMENTS.—The table of subchapters for chapter 1 is amended by adding at the end the following new item:

''SUBCHAPTER Z—HURRICANE RELIEF BENEFITS.''.

SEC. 102. EXPANSION OF HOPE SCHOLARSHIP AND LIFETIME LEARNING CREDIT FOR STUDENTS IN THE GULF RECOVERY ZONE.

In the case of an individual who attends an eligible educational institution (as defined in section 25A(f)(2) of the Internal Revenue Code of 1986) located in the Gulf Recovery Zone (as defined in section 1400N(1) of such Code) for any taxable year beginning during 2005 or 2006—

(1) in applying section 25A of the Internal Revenue Code of 1986, the term ''qualified tuition and related expenses'' shall include any costs which are qualified higher education expenses (as defined in section 529(e)(3) of such Code),

(2) each of the dollar amounts in effect under of subparagraphs (A) and (B) of section 25A(b)(1) of such Code shall be twice the amount otherwise in effect before the application of this subsection, and

(3) section 25A(c)(1) of such Code shall be applied by substituting ''40 percent'' for ''20 percent''.

SEC. 103. EXTENSION OF SPECIAL RULES FOR MORTGAGE REVENUE BONDS.

Section 404(d) of the Katrina Emergency Tax Relief Act of 2005 is amended by striking ''December 31, 2007'' and inserting ''December 31, 2010''.

Subtitle B—Tax Benefits Related to Hurricanes Rita and Wilma

SEC. 111. EXTENSION OF CERTAIN EMERGENCY TAX RELIEF FOR HURRICANE KATRINA TO HURRICANES RITA AND WILMA.

(a) IN GENERAL.—Subchapter Z of chapter 1, as added by this Act, is amended by adding at the end the following new sections:

''SEC. 1400P. SPECIAL RULES FOR MORTGAGE REVENUE BONDS.

''(a) IN GENERAL.—In the case of financing provided with respect to residences in the Gulf Recovery Zone, the Rita Zone, or the Wilma Zone, section 143 shall be applied—

''(1) by treating any residence in the Gulf Recovery Zone, the Rita Zone, or the Wilma Zone as a targeted area residence,

''(2) by applying subsection (f)(3) without regard to subparagraph (A) thereof, and

''(3) by substituting '$150,000' for '$15,000' in subsection (k)(4) thereof.

''(b) APPLICATION.—Subsection (a) shall not apply to financing provided after December 31, 2010.

''SEC. 1400Q. SPECIAL RULES FOR USE OF RETIREMENT FUNDS.

''(a) TAX-FAVORED WITHDRAWALS FROM RETIREMENT PLANS.—

''(1) IN GENERAL.—Section 72(t) shall not apply to any qualified hurricane distribution.

''(2) AGGREGATE DOLLAR LIMITATION.—

''(A) IN GENERAL.—For purposes of this subsection, the aggregate amount of distributions received by an individual which may be treated as qualified hurricane distributions for any taxable year shall not exceed the excess (if any) of—

''(i) $100,000, over

''(ii) the aggregate amounts treated as qualified hurricane distributions received by such individual for all prior taxable years.

''(B) TREATMENT OF PLAN DISTRIBUTIONS.—If a distribution to an individual would (without regard to subparagraph (A)) be a qualified hurricane distribution, a plan shall not be treated as violating any requirement of this title merely because the plan treats such distribution as a qualified hurricane distribution, unless the aggregate amount of such distributions from all plans maintained by the employer (and any member of any controlled group which includes the employer) to such individual exceeds $100,000.

''(C) CONTROLLED GROUP.—For purposes of subparagraph (B), the term 'controlled group' means any group treated as a single employer under subsection (b), (c), (m), or (o) of section 414.

''(3) AMOUNT DISTRIBUTED MAY BE REPAID.—

''(A) IN GENERAL.—Any individual who receives a qualified hurricane distribution may, at any time during the 3-year period beginning on the day after the date on which such distribution was received, make one or more contributions in an aggregate amount not to exceed the amount of such distribution to an eligible retirement plan of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), 408(d)(3), or 457(e)(16), as the case may be.

''(B) TREATMENT OF REPAYMENTS OF DISTRIBUTIONS FROM ELIGIBLE RETIREMENT PLANS OTHER THAN IRAS.—For purposes of this title, if a contribution is made pursuant to subparagraph (A) with respect to a qualified hurricane distribution from an eligible retirement plan other than an individual retirement plan, then the taxpayer shall, to the extent of the amount of the contribution, be treated as having received the qualified hurricane distribution in an eligible rollover distribution (as defined in section 402(c)(4)) and as having transferred the amount to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

''(C) TREATMENT OF REPAYMENTS FOR DISTRIBUTIONS FROM IRAS.—For purposes of this title, if a contribution is made pursuant to subparagraph (A) with respect to a qualified hurricane distribution from an individual retirement plan (as defined by section 7701(a)(37)), then, to the extent of the amount of the contribution, the qualified hurricane distribution shall be treated as a distribution described in section 408(d)(3) and as having been transferred to the eligible retirement plan in a direct trustee to trustee transfer within 60 days of the distribution.

''(4) DEFINITIONS.—For purposes of this subsection—

''(A) QUALIFIED HURRICANE DISTRIBUTION.—Except as provided in paragraph (2), the term 'qualified hurricane distribution' means—

''(i) any distribution from an eligible retirement plan made on or after August 25, 2005, and before January 1, 2007, to an individual whose principal place of abode on August 28, 2005, is located in the Hurricane Katrina disaster area and who has sustained an economic loss by reason of Hurricane Katrina,

''(ii) any distribution (which is not described in clause (i)) from an eligible retirement plan made on or after September 23, 2005, and before January 1, 2007, to an individual whose principal place of abode on September 23, 2005, is located in the Hurricane Rita disaster area and who has sustained an economic loss by reason of Hurricane Rita, and

''(iii) any distribution (which is not described in clause (i) or (ii)) from an eligible retirement plan made on or after October 23, 2005, and before January 1, 2007, to an individual whose principal place of abode on October 23, 2005, is located in the Hurricane Wilma disaster area and who has sustained an economic loss by reason of Hurricane Wilma.

''(B) ELIGIBLE RETIREMENT PLAN.—The term 'eligible retirement plan' shall have the meaning given such term by section 402(c)(8)(B).

''(5) INCOME INCLUSION SPREAD OVER 3-YEAR PERIOD.—

''(A) IN GENERAL.—In the case of any qualified hurricane distribution, unless the taxpayer elects not to have this paragraph apply for any taxable year, any amount required to be included in gross income for such taxable year shall be so included ratably over the 3-taxable year period beginning with such taxable year.

''(B) SPECIAL RULE.—For purposes of subparagraph (A), rules similar to the rules of subparagraph (E) of section 408A(d)(3) shall apply.

''(6) SPECIAL RULES.—

''(A) EXEMPTION OF DISTRIBUTIONS FROM TRUSTEE TO TRUSTEE TRANSFER AND WITHHOLDING RULES.—For purposes of sections 401(a)(31), 402(f), and 3405, qualified hurricane distributions shall not be treated as eligible rollover distributions.

''(B) QUALIFIED HURRICANE DISTRIBUTIONS TREATED AS MEETING PLAN DISTRIBUTION REQUIREMENTS.—For purposes this title, a qualified hurricane distribution shall be treated as meeting the requirements of sections 401(k)(2)(B)(i), 403(b)(7)(A)(ii), 403(b)(11), and 457(d)(1)(A).

''(b) RECONTRIBUTIONS OF WITHDRAWALS FOR HOME PURCHASES.—

''(1) RECONTRIBUTIONS.—

''(A) IN GENERAL.—Any individual who received a qualified distribution may, during the applicable period, make one or more contributions in an aggregate amount not to exceed the amount of such qualified distribution to an eligible retirement plan (as defined in section 402(c)(8)(B)) of which such individual is a beneficiary and to which a rollover contribution of such distribution could be made under section 402(c), 403(a)(4), 403(b)(8), or 408(d)(3), as the case may be.

''(B) TREATMENT OF REPAYMENTS.—Rules similar to the rules of subparagraphs (B) and (C) of subsection (a)(3) shall apply for purposes of this subsection.

''(2) QUALIFIED DISTRIBUTION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified distribution' means any qualified Katrina distribution, any qualified Rita distribution, and any qualified Wilma distribution.

''(B) QUALIFIED KATRINA DISTRIBUTION.—The term 'qualified Katrina distribution' means any distribution—

''(i) described in section 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only to the extent such distribution relates to financial hardship), 403(b)(11)(B), or 72(t)(2)(F),

''(ii) received after February 28, 2005, and before August 29, 2005, and

''(iii) which was to be used to purchase or construct a principal residence in the Hurricane Katrina disaster area, but which was not so purchased or constructed on account of Hurricane Katrina.

''(C) QUALIFIED RITA DISTRIBUTION.—The term 'qualified Rita distribution' means any distribution (other than a qualified Katrina distribution)—

''(i) described in section 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only to the extent such distribution relates to financial hardship), 403(b)(11)(B), or 72(t)(2)(F),

''(ii) received after February 28, 2005, and before September 24, 2005, and

''(iii) which was to be used to purchase or construct a principal residence in the Hurricane Rita disaster area, but which was not so purchased or constructed on account of Hurricane Rita.

''(D) QUALIFIED WILMA DISTRIBUTION.—The term 'qualified Wilma distribution' means any distribution (other than a qualified Katrina distribution or a qualified Rita distribution)—

''(i) described in section 401(k)(2)(B)(i)(IV), 403(b)(7)(A)(ii) (but only to the extent such distribution relates to financial hardship), 403(b)(11)(B), or 72(t)(2)(F),

''(ii) received after February 28, 2005, and before October 24, 2005, and

''(iii) which was to be used to purchase or construct a principal residence in the Hurricane Wilma disaster area, but which was not so purchased or constructed on account of Hurricane Wilma.

''(3) APPLICABLE PERIOD.—For purposes of this subsection, the term 'applicable period' means—

''(A) with respect to any qualified Katrina distribution, the period beginning on August 25, 2005, and ending on February 28, 2006,

''(B) with respect to any qualified Rita distribution, the period beginning on September 23, 2005, and ending on February 28, 2006, and

''(C) with respect to any qualified Wilma distribution, the period beginning on October 23, 2005, and ending on February 28, 2006.

''(c) LOANS FROM QUALIFIED PLANS.—

''(1) INCREASE IN LIMIT ON LOANS NOT TREATED AS DISTRIBUTIONS.—In the case of any loan from a qualified employer plan (as defined under section 72(p)(4)) to a qualified individual made during the applicable period—

''(A) clause (i) of section 72(p)(2)(A) shall be applied by substituting '$100,000' for '$50,000', and

''(B) clause (ii) of such section shall be applied by substituting 'the present value of the nonforfeitable accrued benefit of the employee under the plan' for 'one-half of the present value of the nonforfeitable accrued benefit of the employee under the plan'.

''(2) DELAY OF REPAYMENT.—In the case of a qualified individual with an outstanding loan on or after the qualified beginning date from a qualified employer plan (as defined in section 72(p)(4))—

''(A) if the due date pursuant to subparagraph (B) or (C) of section 72(p)(2) for any repayment with respect to such loan occurs during the period beginning on the qualified beginning date and ending on December 31, 2006, such due date shall be delayed for 1 year,

''(B) any subsequent repayments with respect to any such loan shall be appropriately adjusted to reflect the delay in the due date under paragraph (1) and any interest accruing during such delay, and

''(C) in determining the 5-year period and the term of a loan under subparagraph (B) or (C) of section 72(p)(2), the period described in subparagraph (A) shall be disregarded.

''(3) QUALIFIED INDIVIDUAL.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'qualified individual' means any qualified Hurricane Katrina individual, any qualified Hurricane Rita individual, and any qualified Hurricane Wilma individual.

''(B) QUALIFIED HURRICANE KATRINA INDIVIDUAL.—The term 'qualified Hurricane Katrina individual' means an individual whose principal place of abode on August 28, 2005, is located in the Hurricane Katrina disaster area and who has sustained an economic loss by reason of Hurricane Katrina.

''(C) QUALIFIED HURRICANE RITA INDIVIDUAL.—The term 'qualified Hurricane Rita individual' means an individual (other than a qualified Hurricane Katrina individual) whose principal place of abode on September 23, 2005, is located in the Hurricane Rita disaster area and who has sustained an economic loss by reason of Hurricane Rita.

''(D) QUALIFIED HURRICANE WILMA INDIVIDUAL.—The term 'qualified Hurricane Wilma individual' means an individual (other than a qualified Hurricane Katrina individual or a qualified Hurricane Rita individual) whose principal place of abode on October 23, 2005, is located in the Hurricane Wilma disaster area and who has sustained an economic loss by reason of Hurricane Wilma.

''(4) APPLICABLE PERIOD; QUALIFIED BEGINNING DATE.—For purposes of this subsection—

''(A) HURRICANE KATRINA.—In the case of any qualified Hurricane Katrina individual—

''(i) the applicable period is the period beginning on September 24, 2005, and ending on December 31, 2006, and

''(ii) the qualified beginning date is August 25, 2005.

''(B) HURRICANE RITA.—In the case of any qualified Hurricane Rita individual—

''(i) the applicable period is the period beginning on the date of the enactment of this subsection and ending on December 31, 2006, and

''(ii) the qualified beginning date is September 23, 2005.

''(C) HURRICANE WILMA.—In the case of any qualified Hurricane Wilma individual—

''(i) the applicable period is the period beginning on the date of the enactment of this subsection and ending on December 31, 2006, and

''(ii) the qualified beginning date is October 23, 2005.

''SEC. 1400R. EMPLOYMENT RELIEF.

''(a) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS AFFECTED BY HURRICANE KATRINA.—

''(1) IN GENERAL.—For purposes of section 38, in the case of an eligible employer, the Hurricane Katrina employee retention credit for any taxable year is an amount equal to 40 percent of the qualified wages with respect to each eligible employee of such employer for such taxable year. For purposes of the preceding sentence, the amount of qualified wages which may be taken into account with respect to any individual shall not exceed $6,000.

''(2) DEFINITIONS.—For purposes of this subsection—

''(A) ELIGIBLE EMPLOYER.—The term 'eligible employer' means any employer—

''(i) which conducted an active trade or business on August 28, 2005, in the Gulf Recovery Zone, and

''(ii) with respect to whom the trade or business described in clause (i) is inoperable on any day after August 28, 2005, and before January 1, 2006, as a result of damage sustained by reason of Hurricane Katrina.

''(B) ELIGIBLE EMPLOYEE.—The term 'eligible employee' means with respect to an eligible employer an employee whose principal place of employment on August 28, 2005, with such eligible employer was in the Gulf Recovery Zone.

''(C) QUALIFIED WAGES.—The term 'qualified wages' means wages (as defined in section 51(c)(1), but without regard to section 3306(b)(2)(B)) paid or incurred by an eligible employer with respect to an eligible employee on any day after August 28, 2005, and before January 1, 2006, which occurs during the period—

''(i) beginning on the date on which the trade or business described in subparagraph (A) first became inoperable at the principal place of employment of the employee immediately before Hurricane Katrina, and

''(ii) ending on the date on which such trade or business has resumed significant operations at such principal place of employment.

Such term shall include wages paid without regard to whether the employee performs no services, performs services at a different place of employment than such principal place of employment, or performs services at such principal place of employment before significant operations have resumed.

''(3) CERTAIN RULES TO APPLY.—For purposes of this subsection, rules similar to the rules of sections 51(i)(1), 52, and 280C(a) shall apply.

''(4) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE THAN ONCE.—An employee shall not be treated as an eligible employee for purposes of this subsection for any period with respect to any employer if such employer is allowed a credit under section 51 with respect to such employee for such period.

''(b) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS AFFECTED BY HURRICANE RITA.—

''(1) IN GENERAL.—For purposes of section 38, in the case of an eligible employer, the Hurricane Rita employee retention credit for any taxable year is an amount equal to 40 percent of the qualified wages with respect to each eligible employee of such employer for such taxable year. For purposes of the preceding sentence, the amount of qualified wages which may be taken into account with respect to any individual shall not exceed $6,000.

''(2) DEFINITIONS.—For purposes of this subsection—

''(A) ELIGIBLE EMPLOYER.—The term 'eligible employer' means any employer—

''(i) which conducted an active trade or business on September 23, 2005, in the Rita Zone, and

''(ii) with respect to whom the trade or business described in clause (i) is inoperable on any day after September 23, 2005, and before January 1, 2006, as a result of damage sustained by reason of Hurricane Rita.

''(B) ELIGIBLE EMPLOYEE.—The term 'eligible employee' means with respect to an eligible employer an employee whose principal place of employment on September 23, 2005, with such eligible employer was in the Rita Zone.

''(C) QUALIFIED WAGES.—The term 'qualified wages' means wages (as defined in section 51(c)(1), but without regard to section 3306(b)(2)(B)) paid or incurred by an eligible employer with respect to an eligible employee on any day after September 23, 2005, and before January 1, 2006, which occurs during the period—

''(i) beginning on the date on which the trade or business described in subparagraph (A) first became inoperable at the principal place of employment of the employee immediately before Hurricane Rita, and

''(ii) ending on the date on which such trade or business has resumed significant operations at such principal place of employment.

Such term shall include wages paid without regard to whether the employee performs no services, performs services at a different place of employment than such principal place of employment, or performs services at such principal place of employment before significant operations have resumed.

''(3) CERTAIN RULES TO APPLY.—For purposes of this subsection, rules similar to the rules of sections 51(i)(1), 52, and 280C(a) shall apply.

''(4) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE THAN ONCE.—An employee shall not be treated as an eligible employee for purposes of this subsection for any period with respect to any employer if such employer is allowed a credit under subsection (a) or section 51 with respect to such employee for such period.

''(c) EMPLOYEE RETENTION CREDIT FOR EMPLOYERS AFFECTED BY HURRICANE WILMA.—

''(1) IN GENERAL.—For purposes of section 38, in the case of an eligible employer, the Hurricane Wilma employee retention credit for any taxable year is an amount equal to 40 percent of the qualified wages with respect to each eligible employee of such employer for such taxable year. For purposes of the preceding sentence, the amount of qualified wages which may be taken into account with respect to any individual shall not exceed $6,000.

''(2) DEFINITIONS.—For purposes of this subsection—

''(A) ELIGIBLE EMPLOYER.—The term 'eligible employer' means any employer—

''(i) which conducted an active trade or business on October 23, 2005, in the Wilma Zone, and

''(ii) with respect to whom the trade or business described in clause (i) is inoperable on any day after October 23, 2005, and before January 1, 2006, as a result of damage sustained by reason of Hurricane Wilma.

''(B) ELIGIBLE EMPLOYEE.—The term 'eligible employee' means with respect to an eligible employer an employee whose principal place of employment on October 23, 2005, with such eligible employer was in the Wilma Zone.

''(C) QUALIFIED WAGES.—The term 'qualified wages' means wages (as defined in section 51(c)(1), but without regard to section 3306(b)(2)(B)) paid or incurred by an eligible employer with respect to an eligible employee on any day after October 23, 2005, and before January 1, 2006, which occurs during the period—

''(i) beginning on the date on which the trade or business described in subparagraph (A) first became inoperable at the principal place of employment of the employee immediately before Hurricane Wilma, and

''(ii) ending on the date on which such trade or business has resumed significant operations at such principal place of employment.

Such term shall include wages paid without regard to whether the employee performs no services, performs services at a different place of employment than such principal place of employment, or performs services at such principal place of employment before significant operations have resumed.

''(3) CERTAIN RULES TO APPLY.—For purposes of this subsection, rules similar to the rules of sections 51(i)(1), 52, and 280C(a) shall apply.

''(4) EMPLOYEE NOT TAKEN INTO ACCOUNT MORE THAN ONCE.—An employee shall not be treated as an eligible employee for purposes of this subsection for any period with respect to any employer if such employer is allowed a credit under subsection (a) or section 51 with respect to such employee for such period.

''SEC. 1400S. ADDITIONAL TAX RELIEF PROVISIONS.

''(a) TEMPORARY SUSPENSION OF LIMITATIONS ON CHARITABLE CONTRIBUTIONS.—

''(1) IN GENERAL.—Except as otherwise provided in paragraph (2), section 170(b) shall not apply to qualified contributions and such contributions shall not be taken into account for purposes of applying subsections (b) and (d) of section 170 to other contributions.

''(2) TREATMENT OF EXCESS CONTRIBUTIONS.—For purposes of section 170—

''(A) INDIVIDUALS.—In the case of an individual—

''(i) LIMITATION.—Any qualified contribution shall be allowed only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer's contribution base (as defined in subparagraph (F) of section 170(b)(1)) over the amount of all other charitable contributions allowed under section 170(b)(1).

''(ii) CARRYOVER.—If the aggregate amount of qualified contributions made in the contribution year (within the meaning of section 170(d)(1)) exceeds the limitation of clause (i), such excess shall be added to the excess described in the portion of subparagraph (A) of such section which precedes clause (i) thereof for purposes of applying such section.

''(B) CORPORATIONS.—In the case of a corporation—

''(i) LIMITATION.—Any qualified contribution shall be allowed only to the extent that the aggregate of such contributions does not exceed the excess of the taxpayer's taxable income (as determined under paragraph (2) of section 170(b)) over the amount of all other charitable contributions allowed under such paragraph.

''(ii) CARRYOVER.—Rules similar to the rules of subparagraph (A)(ii) shall apply for purposes of this subparagraph.

''(3) EXCEPTION TO OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.—So much of any deduction allowed under section 170 as does not exceed the qualified contributions paid during the taxable year shall not be treated as an itemized deduction for purposes of section 68.

''(4) QUALIFIED CONTRIBUTIONS.—

''(A) IN GENERAL.—For purposes of this subsection, the term 'qualified contribution' means any charitable contribution (as defined in section 170(c)) if—

''(i) such contribution is paid during the period beginning on August 28, 2005, and ending on December 31, 2005, in cash to an organization described in section 170(b)(1)(A) (other than an organization described in section 509(a)(3)),

''(ii) in the case of a contribution paid by a corporation, such contribution is for relief efforts related to Hurricane Katrina, Hurricane Rita, or Hurricane Wilma, and

''(iii) the taxpayer has elected the application of this subsection with respect to such contribution.

''(B) EXCEPTION.—Such term shall not include a contribution if the contribution is for establishment of a new, or maintenance in an existing, segregated fund or account with respect to which the donor (or any person appointed or designated by such donor) has, or reasonably expects to have, advisory privileges with respect to distributions or investments by reason of the donor's status as a donor.

''(C) APPLICATION OF ELECTION TO PARTNERSHIPS AND S CORPORATIONS.—In the case of a partnership or S corporation, the election under subparagraph (A)(iii) shall be made separately by each partner or shareholder.

''(b) SUSPENSION OF CERTAIN LIMITATIONS ON PERSONAL CASUALTY LOSSES.—Paragraphs (1) and (2)(A) of section 165(h) shall not apply to losses described in section 165(c)(3)—

''(1) which arise in the Hurricane Katrina disaster area on or after August 25, 2005, and which are attributable to Hurricane Katrina,

''(2) which arise in the Hurricane Rita disaster area on or after September 23, 2005, and which are attributable to Hurricane Rita, or

''(3) which arise in the Hurricane Wilma disaster area on or after October 23, 2005, and which are attributable to Hurricane Wilma.

In the case of any other losses, section 165(h)(2)(A) shall be applied without regard to the losses referred to in the preceding sentence.''.

(b) CONFORMING AMENDMENTS.—

(1) Subsection (b) of section 38 is amended by striking ''and'' at the end of paragraph (25), by striking the period at the end of paragraph (26) and inserting a comma, and by adding at the end the following new paragraphs:

''(27) the Hurricane Katrina employee retention credit determined under section 1400R(a),

''(28) the Hurricane Rita employee retention credit determined under section 1400R(b), and

''(29) the Hurricane Wilma employee retention credit determined under section 1400R(c).''.

(2) The table of sections for subchapter Z of chapter 1 is amended by adding at the end the following new items:

''Sec. 1400P. Special rules for mortgage revenue bonds.
''Sec. 1400Q. Special rules for use of retirement funds.
''Sec. 140RQ. Employment relief.
''Sec. 1400S. Additional tax relief provisions.''.

(3) The following provisions of the Katrina Emergency Tax Relief Act of 2005 are hereby repealed:

(A) Title I.

(B) Sections 202, 301, and 402.

TITLE II—EXTENSION OF EXPIRING PROVISIONS

SEC. 201. EXTENSION AND INCREASE IN MINIMUM TAX RELIEF TO INDIVIDUALS.

(a) IN GENERAL.—Section 55(d)(1) is amended—

(1) by striking ''$58,000'' and all that follows through ''2005'' in subparagraph (A) and inserting ''$62,550 in the case of taxable years beginning in 2006'', and

(2) by striking ''$40,250'' and all that follows through ''2005'' in subparagraph (B) and inserting ''$42,500 in the case of taxable years beginning in 2006''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 202. ALLOWANCE OF NONREFUNDABLE PERSONAL CREDITS AGAINST REGULAR AND MINIMUM TAX LIABILITY.

(a) IN GENERAL.—Paragraph (2) of section 26(a) is amended—

(1) by striking ''2005'' in the heading and inserting ''2006'', and

(2) by striking ''or 2005'' and inserting ''2005, or 2006''.

(b) CONFORMING PROVISIONS.—

(1) Section 30B(g) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE FOR 2006.—For purposes of any taxable year beginning during 2006, the credit allowed under subsection (a) (after the application of paragraph (1)) shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under subpart A and this subpart (other than this section and section 30C).''.

(2) Section 30C(d) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE FOR 2006.—For purposes of any taxable year beginning during 2006, the credit allowed under subsection (a) (after the application of paragraph (1)) shall not exceed the excess of—

''(A) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(B) the sum of the credits allowable under subpart A and this subpart (other than this section).''.

(3) Section 904(h) is amended by striking ''or 2005'' and inserting ''2005, or 2006''.

(4) The amendments made by sections 201(b), 202(f), and 618(b) of the Economic Growth and Tax Relief Reconciliation Act of 2001 shall not apply to taxable years beginning during 2006.

SEC. 203. ELECTION TO DEDUCT STATE AND LOCAL SALES TAXES IN LIEU OF STATE AND LOCAL INCOME TAXES.

Section 164(b)(5)(I) is amended by striking ''2006'' and inserting ''2007''.

SEC. 204. TUITION DEDUCTION.

(a) IN GENERAL.—Section 222(e) is amended by striking ''2005'' and inserting ''2006''.

(b) CONFORMING AMENDMENTS.—Section 222(b)(2)(B) is amended—

(1) by striking ''a taxable year beginning in 2004 or 2005'' and inserting ''any taxable year beginning after 2003'', and

(2) by striking ''2004 AND 2005'' and inserting ''AFTER 2003''.

SEC. 205. EXTENSION AND MODIFICATION OF RESEARCH CREDIT.

(a) EXTENSION.—

(1) IN GENERAL.—Section 41(h)(1)(B) is amended by striking ''2005'' and inserting ''2006''.

(2) CONFORMING AMENDMENT.—Section 45C(b)(1)(D) is amended by striking ''2005'' and inserting ''2006''.

(b) INCREASE IN RATES OF ALTERNATIVE INCREMENTAL CREDIT.—

(1) IN GENERAL.—Subparagraph (A) of section 41(c)(4) (relating to election of alternative incremental credit) is amended—

(A) by striking ''2.65 percent'' and inserting ''3 percent'',

(B) by striking ''3.2 percent'' and inserting ''4 percent'', and

(C) by striking ''3.75 percent'' and inserting ''5 percent''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of this Act.

(c) ALTERNATIVE SIMPLIFIED CREDIT FOR QUALIFIED RESEARCH EXPENSES.—

(1) IN GENERAL.—Subsection (c) of section 41 (relating to base amount) is amended by redesignating paragraphs (5) and (6) as paragraphs (6) and (7), respectively, and by inserting after paragraph (4) the following new paragraph:

''(5) ELECTION OF ALTERNATIVE SIMPLIFIED CREDIT.—

''(A) IN GENERAL.—At the election of the taxpayer, the credit determined under subsection (a)(1) shall be equal to 12 percent of so much of the qualified research expenses for the taxable year as exceeds 50 percent of the average qualified research expenses for the 3 taxable years preceding the taxable year for which the credit is being determined.

''(B) SPECIAL RULE IN CASE OF NO QUALIFIED RESEARCH EXPENSES IN ANY OF 3 PRECEDING TAXABLE YEARS.—

''(i) TAXPAYERS TO WHICH SUBPARAGRAPH APPLIES.—The credit under this paragraph shall be determined under this subparagraph if the taxpayer has no qualified research expenses in any 1 of the 3 taxable years preceding the taxable year for which the credit is being determined.

''(ii) CREDIT RATE.—The credit determined under this subparagraph shall be equal to 6 percent of the qualified research expenses for the taxable year.

''(C) ELECTION.—An election under this paragraph shall apply to the taxable year for which made and all succeeding taxable years unless revoked with the consent of the Secretary. An election under this paragraph may not be made for any taxable year to which an election under paragraph (4) applies.''.

(2) COORDINATION WITH ELECTION OF ALTERNATIVE INCREMENTAL CREDIT.—

(A) IN GENERAL.—Section 41(c)(4)(B) (relating to election) is amended by adding at the end the following: ''An election under this paragraph may not be made for any taxable year to which an election under paragraph (5) applies.''.

(B) TRANSITION RULE.—In the case of an election under section 41(c)(4) of the Internal Revenue Code of 1986 which applies to the taxable year which includes the date of the enactment of this Act, such election shall be treated as revoked with the consent of the Secretary of the Treasury if the taxpayer makes an election under section 41(c)(5) of such Code (as added by subsection (a)) for such year.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years ending after the date of the enactment of this Act.

(d) EXPANSION OF CREDIT TO EXPENSES OF GENERAL COLLABORATIVE RESEARCH CONSORTIA.—

(1) IN GENERAL.—Section 41 is amended—

(A) by striking ''an energy research consortium'' in subsections (a)(3) and (b)(3)(C)(i) and inserting ''a research consortium'',

(B) by striking ''energy'' each place it appears in subsection (f)(6)(A),

(C) by inserting ''or 501(c)(6)'' after ''section 501(c)(3)'' in subsection (f)(6)(A)(i)(I), and

(D) by striking ''ENERGY RESEARCH'' in the heading for subsection (f)(6)(A) and inserting ''RESEARCH'' .

(2) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act, in taxable years ending after such date.

SEC. 206. EXTENSION AND MODIFICATIONS TO WORK OPPORTUNITY CREDIT AND WELFARE-TO-WORK CREDIT.

(a) IN GENERAL.—Section 51(c)(4)(B) is amended by striking ''2005'' and inserting ''2006''.

(b) ELIGIBILITY OF EX-FELONS DETERMINED WITHOUT REGARD TO FAMILY INCOME.—Paragraph (4) of section 51(d) is amended by adding ''and'' at the end of subparagraph (A), by striking '', and'' at the end of subparagraph (B) and inserting a period, and by striking all that follows subparagraph (B).

(c) INCREASE IN MAXIMUM AGE FOR ELIGIBILITY OF FOOD STAMP RECIPIENTS.—Clause (i) of section 51(d)(8)(A) is amended by striking ''25'' and inserting ''40''.

(d) INCREASE IN MAXIMUM AGE FOR DESIGNATED COMMUNITY RESIDENTS.—

(1) IN GENERAL.—Paragraph (5) of section 51(d) is amended to read as follows:

''(5) DESIGNATED COMMUNITY RESIDENTS.—

''(A) IN GENERAL.—The term 'designated community resident' means any individual who is certified by the designated local agency—

''(i) as having attained age 18 but not age 40 on the hiring date, and

''(ii) as having his principal place of abode within an empowerment zone, enterprise community, or renewal community.

''(B) INDIVIDUAL MUST CONTINUE TO RESIDE IN ZONE OR COMMUNITY.—In the case of a designated community resident, the term 'qualified wages' shall not include wages paid or incurred for services performed while the individual's principal place of abode is outside an empowerment zone, enterprise community, or renewal community.''

(2) CONFORMING AMENDMENT.—Subparagraph (D) of section 51(d)(1) is amended to read as follows:

''(D) a designated community resident,''.

(e) CONSOLIDATION OF WORK OPPORTUNITY CREDIT WITH WELFARE-TO-WORK CREDIT.—

(1) IN GENERAL.—Paragraph (1) of section 51(d) is amended by striking ''or'' at the end of subparagraph (G), by striking the period at the end of subparagraph (H) and inserting '', or'', and by adding at the end the following new subparagraph:

''(I) a long-term family assistance recipient.''

(2) LONG-TERM FAMILY ASSISTANCE RECIPIENT.—Subsection (d) of section 51 is amended by redesignating paragraphs (10) through (12) as paragraphs (11) through (13), respectively, and by inserting after paragraph (9) the following new paragraph:

''(10) LONG-TERM FAMILY ASSISTANCE RECIPIENT.—The term 'long-term family assistance recipient' means any individual who is certified by the designated local agency—

''(A) as being a member of a family receiving assistance under a IV–A program (as defined in paragraph (2)(B)) for at least the 18-month period ending on the hiring date,

''(B)(i) as being a member of a family receiving such assistance for 18 months beginning after August 5, 1997, and

''(ii) as having a hiring date which is not more than 2 years after the end of the earliest such 18-month period, or

''(C)(i) as being a member of a family which ceased to be eligible for such assistance by reason of any limitation imposed by Federal or State law on the maximum period such assistance is payable to a family, and

''(ii) as having a hiring date which is not more than 2 years after the date of such cessation.''

(3) INCREASED CREDIT FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—Section 51 is amended by inserting after subsection (d) the following new subsection:

''(e) CREDIT FOR SECOND-YEAR WAGES FOR EMPLOYMENT OF LONG-TERM FAMILY ASSISTANCE RECIPIENTS.—

''(1) IN GENERAL.—With respect to the employment of a long-term family assistance recipient—

''(A) the amount of the work opportunity credit determined under this section for the taxable year shall include 50 percent of the qualified second-year wages for such year, and

''(B) in lieu of applying subsection (b)(3), the amount of the qualified first-year wages, and the amount of qualified second-year wages, which may be taken into account with respect to such a recipient shall not exceed $10,000 per year.

''(2) QUALIFIED SECOND-YEAR WAGES.—For purposes of this subsection, the term 'qualified second-year wages' means qualified wages—

''(A) which are paid to a long-term family assistance recipient, and

''(B) which are attributable to service rendered during the 1-year period beginning on the day after the last day of the 1-year period with respect to such recipient determined under subsection (b)(2).

''(3) SPECIAL RULES FOR AGRICULTURAL AND RAILWAY LABOR.—If such recipient is an employee to whom subparagraph (A) or (B) of

subsection (h)(1) applies, rules similar to the rules of such subparagraphs shall apply except that—

''(A) such subparagraph (A) shall be applied by substituting '$10,000' for '$6,000', and

''(B) such subparagraph (B) shall be applied by substituting '$833.33' for '$500'.''

(4) REPEAL OF SEPARATE WELFARE-TO-WORK CREDIT.—

(A) IN GENERAL.—Section 51A is hereby repealed.

(B) CLERICAL AMENDMENT.—The table of sections for subpart F of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 51A.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals who begin work for the employer after December 31, 2005.

SEC. 207. QUALIFIED ZONE ACADEMY BONDS.

Paragraph (1) of section 1397E(e) is amended by striking ''and 2005'' and inserting ''2005, and 2006''.

SEC. 208. DEDUCTION FOR CERTAIN EXPENSES OF SCHOOL TEACHERS.

Subparagraph (D) of section 62(a)(2) is amended by striking ''or 2005'' and inserting ''2005, or 2006''.

SEC. 209. TAX INCENTIVES FOR INVESTMENT IN THE DISTRICT OF COLUMBIA.

(a) DESIGNATION OF ZONE.—Subsection (f) of section 1400 is amended by striking ''2005'' both places it appears and inserting ''2006''.

(b) TAX-EXEMPT ECONOMIC DEVELOPMENT BONDS.—Subsection (b) of section 1400A is amended by striking ''2005'' and inserting ''2006''.

(c) ZERO PERCENT CAPITAL GAINS RATE.—

(1) IN GENERAL.—Subsection (b) of section 1400B is amended by striking ''2006'' each place it appears and inserting ''2007''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1400B(e)(2) is amended—

(i) by striking ''2010'' and inserting ''2011'', and

(ii) by striking ''2010'' in the heading and inserting ''2011''.

(B) Section 1400B(g)(2) is amended by striking ''2010'' and inserting ''2011''.

(C) Section 1400F(d) is amended by striking ''2010'' and inserting ''2011''.

(d) FIRST-TIME HOMEBUYER CREDIT.—Subsection (i) of section 1400C is amended by striking ''2006'' and inserting ''2007''.

SEC. 210. INDIAN EMPLOYMENT TAX CREDIT.

Section 45A(f) is amended by striking ''2005'' and inserting ''2006''.

SEC. 211. ACCELERATED DEPRECIATION FOR BUSINESS PROPERTY ON INDIAN RESERVATION.

Section 168(j)(8) is amended by striking ''2005'' and inserting ''2006''.

SEC. 212. EXTENSION AND EXPANSION OF CHARITABLE CONTRIBUTION ALLOWED FOR SCIENTIFIC PROPERTY USED FOR RESEARCH AND FOR COMPUTER TECHNOLOGY AND EQUIPMENT USED FOR EDUCATIONAL PURPOSES.

(a) SCIENTIFIC PROPERTY USED FOR RESEARCH.—

(1) IN GENERAL.—Clause (ii) of section 170(e)(4)(B) (defining qualified research contributions) is amended by inserting ''or assembled'' after ''constructed''.

(2) CONFORMING AMENDMENT.—Clause (iii) of section 170(e)(4)(B) is amended by inserting ''or assembling'' after ''construction''.

(b) COMPUTER TECHNOLOGY AND EQUIPMENT FOR EDUCATIONAL PURPOSES.—

(1) IN GENERAL.—Clause (ii) of section 170(e)(6)(B) is amended by inserting ''or assembled'' after ''constructed'' and ''or assembling'' after ''construction''.

(2) SPECIAL RULE EXTENDED.—Section 170(e)(6)(G) is amended by striking ''2005'' and inserting ''2006''.

(3) CONFORMING AMENDMENTS.—Subparagraph (D) of section 170(e)(6) is amended by inserting ''or assembled'' after ''constructed'' and ''or assembling'' after ''construction''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 213. EXPENSING OF BROWNFIELDS REMEDIATION COSTS.

(a) EXTENSION.—Subsection (h) of section 198 is amended by striking ''2005'' and inserting ''2006''.

(b) EXPANSION.—

(1) IN GENERAL.—Section 198(d)(1) (defining hazardous substance) is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following new subparagraph:

''(C) any petroleum product (as defined in section 4612(a)(3)).''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to expenditures paid or incurred after December 31, 2005.

SEC. 214. EXTENSION OF FULL CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(a) IN GENERAL.—Section 30(b) (relating to limitations) is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

SEC. 215. FIFTEEN-YEAR STRAIGHT-LINE COST RECOVERY FOR QUALIFIED LEASEHOLD IMPROVEMENTS AND QUALIFIED RESTAURANT IMPROVEMENTS.

Clauses (iv) and (v) of section 168(e)(3)(E) are each amended by striking ''2006'' and inserting ''2007''.

SEC. 216. APPLICATION OF EGTRRA SUNSET TO THIS TITLE.

Each amendment made by this title shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 to the same extent and in the same manner as the provision of such Act to which such amendment relates.

TITLE III—REVENUE PROVISIONS

Subtitle A—Provisions Relating to Tax Shelters

SEC. 301. CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE.

(a) IN GENERAL.—Section 7701 is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

''(o) CLARIFICATION OF ECONOMIC SUBSTANCE DOCTRINE; ETC.—

''(1) GENERAL RULES.—

''(A) IN GENERAL.—In any case in which a court determines that the economic substance doctrine is relevant for purposes of this title to a transaction (or series of transactions), such transaction (or series of transactions) shall have economic substance only if the requirements of this paragraph are met.

''(B) DEFINITION OF ECONOMIC SUBSTANCE.—For purposes of subparagraph (A)—

''(i) IN GENERAL.—A transaction has economic substance only if—

''(I) the transaction changes in a meaningful way (apart from Federal tax effects) the taxpayer's economic position, and

''(II) the taxpayer has a substantial nontax purpose for entering into such transaction and the transaction is a reasonable means of accomplishing such purpose.

In applying subclause (II), a purpose of achieving a financial accounting benefit shall not be taken into account in determining whether a transaction has a substantial nontax purpose if the origin of such financial accounting benefit is a reduction of income tax.

''(ii) SPECIAL RULE WHERE TAXPAYER RELIES ON PROFIT POTENTIAL.—A transaction shall not be treated as having economic substance by reason of having a potential for profit unless—

''(I) the present value of the reasonably expected pre-tax profit from the transaction is substantial in relation to the present value of the expected net tax benefits that would be allowed if the transaction were respected, and

''(II) the reasonably expected pre-tax profit from the transaction exceeds a risk-free rate of return.

''(C) TREATMENT OF FEES AND FOREIGN TAXES.—Fees and other transaction expenses and foreign taxes shall be taken into account as expenses in determining pre-tax profit under subparagraph (B)(ii).

''(2) SPECIAL RULES FOR TRANSACTIONS WITH TAX-INDIFFERENT PARTIES.—

''(A) SPECIAL RULES FOR FINANCING TRANSACTIONS.—The form of a transaction which is in substance the borrowing of money or the acquisition of financial capital directly or indirectly from a tax-indifferent party shall not be respected if the present value of the deductions to be claimed with respect to the transaction is substantially in excess of the present value of the anticipated economic returns of the person lending the money or providing the financial capital. A public offering shall be treated as a borrowing, or an acquisition of financial capital, from a tax-indifferent party if it is reasonably expected that at least 50 percent of the offering will be placed with tax-indifferent parties.

''(B) ARTIFICIAL INCOME SHIFTING AND BASIS ADJUSTMENTS.—The form of a transaction with a tax-indifferent party shall not be respected if—

''(i) it results in an allocation of income or gain to the tax-indifferent party in excess of such party's economic income or gain, or

''(ii) it results in a basis adjustment or shifting of basis on account of overstating the income or gain of the tax-indifferent party.

''(3) DEFINITIONS AND SPECIAL RULES.—For purposes of this subsection—

''(A) ECONOMIC SUBSTANCE DOCTRINE.—The term 'economic substance doctrine' means the common law doctrine under which tax benefits under subtitle A with respect to a transaction are not allowable if the transaction does not have economic substance or lacks a business purpose.

''(B) TAX-INDIFFERENT PARTY.—The term 'tax-indifferent party' means any person or entity not subject to tax imposed by subtitle A. A person shall be treated as a tax-indifferent party with respect to a transaction if the items taken into account with respect to the transaction have no substantial impact on such person's liability under subtitle A.

''(C) EXCEPTION FOR PERSONAL TRANSACTIONS OF INDIVIDUALS.—In the case of an individual, this subsection shall apply only to transactions entered into in connection with a trade or business or an activity engaged in for the production of income.

''(D) TREATMENT OF LESSORS.—In applying paragraph (1)(B)(ii) to the lessor of tangible property subject to a lease—

''(i) the expected net tax benefits with respect to the leased property shall not include the benefits of—

''(I) depreciation,

''(II) any tax credit, or

''(III) any other deduction as provided in guidance by the Secretary, and

''(ii) subclause (II) of paragraph (1)(B)(ii) shall be disregarded in determining whether any of such benefits are allowable.

''(4) OTHER COMMON LAW DOCTRINES NOT AFFECTED.—Except as specifically provided in this subsection, the provisions of this subsection shall not be construed as altering or

supplanting any other rule of law, and the requirements of this subsection shall be construed as being in addition to any such other rule of law.

''(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection. Such regulations may include exemptions from the application of this subsection.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 302. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

(a) IN GENERAL.—Subchapter A of chapter 68 is amended by inserting after section 6662A the following new section:

''SEC. 6662B. PENALTY FOR UNDERSTATEMENTS ATTRIBUTABLE TO TRANSACTIONS LACKING ECONOMIC SUBSTANCE, ETC.

''(a) IMPOSITION OF PENALTY.—If a taxpayer has an noneconomic substance transaction understatement for any taxable year, there shall be added to the tax an amount equal to 40 percent of the amount of such understatement.

''(b) REDUCTION OF PENALTY FOR DISCLOSED TRANSACTIONS.—Subsection (a) shall be applied by substituting '20 percent' for '40 percent' with respect to the portion of any noneconomic substance transaction understatement with respect to which the relevant facts affecting the tax treatment of the item are adequately disclosed in the return or a statement attached to the return.

''(c) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this section—

''(1) IN GENERAL.—The term 'noneconomic substance transaction understatement' means any amount which would be an understatement under section 6662A(b)(1) if section 6662A were applied by taking into account items attributable to noneconomic substance transactions rather than items to which section 6662A would apply without regard to this paragraph.

''(2) NONECONOMIC SUBSTANCE TRANSACTION.—The term 'noneconomic substance transaction' means any transaction if—

''(A) there is a lack of economic substance (within the meaning of section 7701(o)(1)) for the transaction giving rise to the claimed benefit or the transaction was not respected under section 7701(o)(2), or

''(B) the transaction fails to meet the requirements of any similar rule of law.

''(d) RULES APPLICABLE TO COMPROMISE OF PENALTY.—

''(1) IN GENERAL.—If the 1st letter of proposed deficiency which allows the taxpayer an opportunity for administrative review in the Internal Revenue Service Office of Appeals has been sent with respect to a penalty to which this section applies, only the Commissioner of Internal Revenue may compromise all or any portion of such penalty.

''(2) APPLICABLE RULES.—The rules of paragraphs (2) and (3) of section 6707A(d) shall apply for purposes of paragraph (1).

''(e) COORDINATION WITH OTHER PENALTIES.—Except as otherwise provided in this part, the penalty imposed by this section shall be in addition to any other penalty imposed by this title.

''(f) CROSS REFERENCES.—

''(1) For coordination of penalty with understatements under section 6662 and other special rules, see section 6662A(e)

''(2) For reporting of penalty imposed under this section to the Securities and Exchange Commission, see section 6707A(e)''.

(b) COORDINATION WITH OTHER UNDERSTATEMENTS AND PENALTIES.—

(1) The second sentence of section 6662(d)(2)(A) is amended by inserting ''and without regard to items with respect to which a penalty is imposed by section 6662B'' before the period at the end.

(2) Subsection (e) of section 6662A is amended—

(A) in paragraph (1), by inserting ''and noneconomic substance transaction understatements'' after ''reportable transaction understatements'' both places it appears,

(B) in paragraph (2)(A), by inserting ''and a noneconomic substance transaction understatement'' after ''reportable transaction understatement'',

(C) in paragraph (2)(B), by inserting ''6662B or'' before ''6663'',

(D) in paragraph (2)(C)(i), by inserting ''or section 6662B'' before the period at the end,

(E) in paragraph (2)(C)(ii), by inserting ''and section 6662B'' after ''This section'',

(F) in paragraph (3), by inserting ''or noneconomic substance transaction understatement'' after ''reportable transaction understatement'', and

(G) by adding at the end the following new paragraph:

''(4) NONECONOMIC SUBSTANCE TRANSACTION UNDERSTATEMENT.—For purposes of this subsection, the term 'noneconomic substance transaction understatement' has the meaning given such term by section 6662B(c).''.

(3) Subsection (e) of section 6707A is amended—

(A) by striking ''or'' at the end of subparagraph (B), and

(B) by striking subparagraph (C) and inserting the following new subparagraphs:

''(C) is required to pay a penalty under section 6662B with respect to any noneconomic substance transaction, or

''(D) is required to pay a penalty under section 6662(h) with respect to any transaction and would (but for section 6662A(e)(2)(C)) have been subject to penalty under section 6662A at a rate prescribed under section 6662A(c) or under section 6662B,''.

(c) CLERICAL AMENDMENT.—The table of sections for part II of subchapter A of chapter 68 is amended by inserting after the item relating to section 6662A the following new item:

''Sec. 6662B. Penalty for understatements attributable to transactions lacking economic substance, etc.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 303. DENIAL OF DEDUCTION FOR INTEREST ON UNDERPAYMENTS ATTRIBUTABLE TO NONECONOMIC SUBSTANCE TRANSACTIONS.

(a) IN GENERAL.—Section 163(m) (relating to interest on unpaid taxes attributable to nondisclosed reportable transactions) is amended—

(1) by striking ''attributable'' and all that follows and inserting the following: ''attributable to—

''(1) the portion of any reportable transaction understatement (as defined in section 6662A(b)) with respect to which the requirement of section 6664(d)(2)(A) is not met, or

''(2) any noneconomic substance transaction understatement (as defined in section 6662B(c)).'', and

(2) by inserting ''AND NONECONOMIC SUBSTANCE TRANSACTIONS'' in the heading thereof after ''TRANSACTIONS''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions after the date of the enactment of this Act in taxable years ending after such date.

SEC. 304. MODIFICATIONS OF EFFECTIVE DATES OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004.

(a) IN GENERAL.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by striking paragraphs (1) and (2), by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively, and by adding at the end the following new paragraph:

''(3) LEASES TO FOREIGN ENTITIES.—In the case of tax-exempt use property leased to a tax-exempt entity which is a foreign person or entity, the amendments made by this part shall apply to taxable years beginning after December 31, 2004, with respect to leases entered into on or before March 12, 2004.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SEC. 305. REVALUATION OF LIFO INVENTORIES OF LARGE INTEGRATED OIL COMPANIES.

(a) GENERAL RULE.—Notwithstanding any other provision of law, if a taxpayer is an applicable integrated oil company for its last taxable year ending in calendar year 2005, the taxpayer shall—

(1) increase, effective as of the close of such taxable year, the value of each historic LIFO layer of inventories of crude oil, natural gas, or any other petroleum product (within the meaning of section 4611) by the layer adjustment amount, and

(2) decrease its cost of goods sold for such taxable year by the aggregate amount of the increases under paragraph (1).

If the aggregate amount of the increases under paragraph (1) exceed the taxpayer's cost of goods sold for such taxable year, the taxpayer's gross income for such taxable year shall be increased by the amount of such excess.

(b) LAYER ADJUSTMENT AMOUNT.—For purposes of this section—

(1) IN GENERAL.—The term ''layer adjustment amount'' means, with respect to any historic LIFO layer, the product of—

(A) $18.75, and

(B) the number of barrels of crude oil (or in the case of natural gas or other petroleum products, the number of barrel-of-oil equivalents) represented by the layer.

(2) BARREL-OF-OIL EQUIVALENT.—The term ''barrel-of-oil equivalent'' has the meaning given such term by section 29(d)(5) (as in effect before its redesignation by the Energy Tax Incentives Act of 2005).

(c) APPLICATION OF REQUIREMENT.—

(1) NO CHANGE IN METHOD OF ACCOUNTING.—Any adjustment required by this section shall not be treated as a change in method of accounting.

(2) UNDERPAYMENTS OF ESTIMATED TAX.—No addition to the tax shall be made under section 6655 of the Internal Revenue Code of 1986 (relating to failure by corporation to pay estimated tax) with respect to any underpayment of an installment required to be paid with respect to the taxable year described in subsection (a) to the extent such underpayment was created or increased by this section.

(d) APPLICABLE INTEGRATED OIL COMPANY.—For purposes of this section, the term ''applicable integrated oil company'' means an integrated oil company (as defined in section 291(b)(4) of the Internal Revenue Code of 1986) which—

(1) had gross receipts in excess of $1,000,000,000 for its last taxable year ending during calendar year 2005, and

(2) uses the last-in, first-out (LIFO) method of accounting with respect to its crude oil inventories for such taxable year.

For purposes of paragraph (1), all persons treated as a single employer under subsections (a) and (b) of section 52 of the Internal Revenue Code of 1986 shall be treated as 1 person and, in the case of a short taxable year, the rule under section 448(c)(3)(B) shall apply.

SEC. 306. MODIFICATION OF EFFECTIVE DATE OF EXCEPTION FROM SUSPENSION RULES FOR CERTAIN LISTED AND REPORTABLE TRANSACTIONS.

(a) IN GENERAL.—Paragraph (2) of section 903(d) of the American Jobs Creation Act of 2004 is amended to read as follows:

''(2) EXCEPTION FOR REPORTABLE OR LISTED TRANSACTIONS.—

''(A) IN GENERAL.—The amendments made by subsection (c) shall apply with respect to interest accruing after October 3, 2004.

''(B) SPECIAL RULE FOR CERTAIN LISTED AND REPORTABLE TRANSACTIONS.—

''(i) IN GENERAL.—Except as provided in clause (ii), the amendments made by subsection (c) shall also apply with respect to interest accruing on or before October 3, 2004.

''(ii) PARTICIPANTS IN SETTLEMENT INITIATIVES.—Clause (i) shall not apply to any transaction if, as of January 23, 2006—

''(I) the taxpayer is participating in a settlement initiative described in Internal Revenue Service Announcement 2005-80 with respect to such transaction, or

''(II) the taxpayer has entered into a settlement agreement pursuant to such an initiative.

''(iii) TERMINATION OF EXCEPTION.—Clause (ii)(I) shall not apply to any taxpayer if, after January 23, 2006, the taxpayer withdraws from, or terminates, participation in the initiative or the Secretary of the Treasury or the Secretary's delegate determines that a settlement agreement will not be reached pursuant to the initiative within a reasonable period of time.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the provisions of the American Jobs Creation Act of 2004 to which it relates.

SEC. 307. DOUBLING OF CERTAIN PENALTIES, FINES, AND INTEREST ON UNDERPAYMENTS RELATED TO CERTAIN OFFSHORE FINANCIAL ARRANGEMENTS.

(a) DETERMINATION OF PENALTY.—

(1) IN GENERAL.—Notwithstanding any other provision of law, in the case of an applicable taxpayer—

(A) the determination as to whether any interest or applicable penalty is to be imposed with respect to any arrangement described in paragraph (2), or to any underpayment of Federal income tax attributable to items arising in connection with any such arrangement, shall be made without regard to the rules of subsections (b), (c), and (d) of section 6664 of the Internal Revenue Code of 1986, and

(B) if any such interest or applicable penalty is imposed, the amount of such interest or penalty shall be equal to twice that determined without regard to this section.

(2) APPLICABLE TAXPAYER.—For purposes of this subsection—

(A) IN GENERAL.—The term ''applicable taxpayer'' means a taxpayer which—

(i) has underreported its United States income tax liability with respect to any item which directly or indirectly involves—

(I) any financial arrangement which in any manner relies on the use of offshore payment mechanisms (including credit, debit, or charge cards) issued by banks or other entities in foreign jurisdictions, or

(II) any offshore financial arrangement (including any arrangement with foreign banks, financial institutions, corporations, partnerships, trusts, or other entities), and

(ii) has neither signed a closing agreement pursuant to the Voluntary Offshore Compliance Initiative established by the Department of the Treasury under Revenue Procedure 2003-11 nor voluntarily disclosed its participation in such arrangement by notifying the Internal Revenue Service of such arrangement prior to the issue being raised by the Internal Revenue Service during an examination.

(B) AUTHORITY TO WAIVE.—The Secretary of the Treasury or the Secretary's delegate may waive the application of paragraph (1) to any taxpayer if the Secretary or the Secretary's delegate determines that the use of such offshore payment mechanisms is incidental to the transaction and, in addition, in the case of a trade or business, such use is conducted in the ordinary course of the type of trade or business of the taxpayer.

(C) ISSUES RAISED.—For purposes of subparagraph (A)(ii), an item shall be treated as an issue raised during an examination if the individual examining the return—

(i) communicates to the taxpayer knowledge about the specific item, or

(ii) has made a request to the taxpayer for information and the taxpayer could not make a complete response to that request without giving the examiner knowledge of the specific item.

(b) DEFINITIONS AND RULES.—For purposes of this section—

(1) APPLICABLE PENALTY.—The term ''applicable penalty'' means any penalty, addition to tax, or fine imposed under chapter 68 of the Internal Revenue Code of 1986.

(2) FEES AND EXPENSES.—The Secretary of the Treasury may retain and use an amount not in excess of 25 percent of all additional interest, penalties, additions to tax, and fines collected under this section to be used for enforcement and collection activities of the Internal Revenue Service. The Secretary shall keep adequate records regarding amounts so retained and used. The amount credited as paid by any taxpayer shall be determined without regard to this paragraph.

(c) REPORT BY SECRETARY.—The Secretary shall each year conduct a study and report to Congress on the implementation of this section during the preceding year, including statistics on the number of taxpayers affected by such implementation and the amount of interest and applicable penalties asserted, waived, and assessed during such preceding year.

(d) EFFECTIVE DATE.—The provisions of this section shall apply to interest, penalties, additions to tax, and fines with respect to any taxable year if, as of the date of the enactment of this Act, the assessment of any tax, penalty, or interest with respect to such taxable year is not prevented by the operation of any law or rule of law.

SEC. 308. PENALTY FOR AIDING AND ABETTING THE UNDERSTATEMENT OF TAX LIABILITY.

(a) IN GENERAL.—Section 6701(a) (relating to imposition of penalty) is amended—

(1) by inserting ''the tax liability or'' after ''respect to,'' in paragraph (1),

(2) by inserting ''aid, assistance, procurement, or advice with respect to such'' before ''portion'' both places it appears in paragraphs (2) and (3), and

(3) by inserting ''instance of aid, assistance, procurement, or advice or each such'' before ''document'' in the matter following paragraph (3).

(b) AMOUNT OF PENALTY.—Subsection (b) of section 6701 (relating to penalties for aiding and abetting understatement of tax liability) is amended to read as follows:

''(b) AMOUNT OF PENALTY; CALCULATION OF PENALTY; LIABILITY FOR PENALTY.—

''(1) AMOUNT OF PENALTY.—The amount of the penalty imposed by subsection (a) shall not exceed 100 percent of the gross income derived (or to be derived) from such aid, assistance, procurement, or advice provided by the person or persons subject to such penalty.

''(2) CALCULATION OF PENALTY.—The penalty amount determined under paragraph (1) shall be calculated with respect to each instance of aid, assistance, procurement, or advice described in subsection (a), each instance in which income was derived by the person or persons subject to such penalty, and each person who made such an understatement of the liability for tax.

''(3) LIABILITY FOR PENALTY.—If more than 1 person is liable under subsection (a) with respect to providing such aid, assistance, procurement, or advice, all such persons shall be jointly and severally liable for the penalty under such subsection.''.

(c) PENALTY NOT DEDUCTIBLE.—Section 6701 is amended by adding at the end the following new subsection:

''(g) PENALTY NOT DEDUCTIBLE.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be deductible by the person who is subject to such penalty or who makes such payment.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to activities after the date of the enactment of this Act.

Subtitle B—Provisions to Close Corporate and Individual Loopholes

SEC. 311. TAX TREATMENT OF INVERTED ENTITIES.

(a) IN GENERAL.—Section 7874 is amended—

(1) by striking ''March 4, 2003'' in subsection (a)(2)(B)(i) and in the matter following subsection (a)(2)(B)(iii) and inserting ''March 20, 2002'',

(2) by striking ''at least 60 percent'' in subsection (a)(2)(B)(ii) and inserting ''more than 50 percent'',

(3) by striking ''80 percent'' in subsection (b) and inserting ''at least 80 percent'',

(4) by striking ''60 percent'' in subsection (b) and inserting ''more than 50 percent'',

(5) by adding at the end of subsection (a)(2) the following new sentence: ''Except as provided in regulations, an acquisition of properties of a domestic corporation shall not be treated as described in subparagraph (B) if none of the corporation's stock was readily tradeable on an established securities market at any time during the 4-year period ending on the date of the acquisition.'', and

(6) by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

''(g) SPECIAL RULES APPLICABLE TO EXPATRIATED ENTITIES.—

''(1) INCREASES IN ACCURACY-RELATED PENALTIES.—In the case of any underpayment of tax of an expatriated entity—

''(A) section 6662(a) shall be applied with respect to such underpayment by substituting '30 percent' for '20 percent', and

''(B) if such underpayment is attributable to one or more gross valuation understatements, the increase in the rate of penalty under section 6662(h) shall be to 50 percent rather than 40 percent.

''(2) MODIFICATIONS OF LIMITATION ON INTEREST DEDUCTION.—In the case of an expatriated entity, section 163(j) shall be applied—

''(A) without regard to paragraph (2)(A)(ii) thereof, and

''(B) by substituting '25 percent' for '50 percent' each place it appears in paragraph (2)(B) thereof.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after March 20, 2002.

SEC. 312. GRANT OF TREASURY REGULATORY AUTHORITY TO ADDRESS FOREIGN TAX CREDIT TRANSACTIONS INVOLVING INAPPROPRIATE SEPARATION OF FOREIGN TAXES FROM RELATED FOREIGN INCOME.

(a) IN GENERAL.—Section 901 (relating to taxes of foreign countries and of possessions of United States) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) REGULATIONS.—The Secretary may prescribe regulations disallowing a credit under subsection (a) for all or a portion of any foreign tax, or allocating a foreign tax among 2 or more persons, in cases where the foreign tax is imposed on any person in respect of income of another person or in other cases involving the inappropriate separation of the foreign tax from the related foreign income.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to transactions entered into after the date of the enactment of this Act.

SEC. 313. TREATMENT OF CONTINGENT PAYMENT CONVERTIBLE DEBT INSTRUMENTS.

(a) IN GENERAL.—Section 1275(d) (relating to regulation authority) is amended—

(1) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary'', and

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

''(2) TREATMENT OF CONTINGENT PAYMENT CONVERTIBLE DEBT.—

''(A) IN GENERAL.—In the case of a debt instrument which—

''(i) is convertible into stock of the issuing corporation, into stock or debt of a related party (within the meaning of section 267(b) or 707(b)(1)), or into cash or other property in an amount equal to the approximate value of such stock or debt, and

''(ii) provides for contingent payments,

any regulations which require original issue discount to be determined by reference to the comparable yield of a noncontingent fixed-rate debt instrument shall be applied as if the regulations require that such comparable yield be determined by reference to a noncontingent fixed-rate debt instrument which is convertible into stock.

''(B) SPECIAL RULE.—For purposes of subparagraph (A), the comparable yield shall be determined without taking into account the yield resulting from the conversion of a debt instrument into stock.''.

(b) CROSS REFERENCE.—Section 163(e)(6) (relating to cross references) is amended by adding at the end the following:

''For the treatment of contingent payment convertible debt, see section 1275(d)(2).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to debt instruments issued on or after the date of the enactment of this Act.

SEC. 314. APPLICATION OF EARNINGS STRIPPING RULES TO PARTNERS WHICH ARE CORPORATIONS.

(a) IN GENERAL.—Section 163(j) (relating to limitation on deduction for interest on certain indebtedness) is amended by redesignating paragraph (8) as paragraph (9) and by inserting after paragraph (7) the following new paragraph:

''(8) TREATMENT OF CORPORATE PARTNERS.—Except to the extent provided by regulations, in applying this subsection to a corporation which owns (directly or indirectly) an interest in a partnership—

''(A) such corporation's distributive share of interest income paid or accrued to such partnership shall be treated as interest income paid or accrued to such corporation,

''(B) such corporation's distributive share of interest paid or accrued by such partnership shall be treated as interest paid or accrued by such corporation, and

''(C) such corporation's share of the liabilities of such partnership shall be treated as liabilities of such corporation.''.

(b) ADDITIONAL REGULATORY AUTHORITY.—Section 163(j)(9) (relating to regulations), as redesignated by subsection (a), is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting '', and'', and by adding at the end the following new subparagraph:

''(D) regulations providing for the reallocation of shares of partnership indebtedness, or distributive shares of the partnership's interest income or interest expense, as may be appropriate to carry out the purposes of this subsection.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on or after the date of the enactment of this Act.

SEC. 315. DENIAL OF DEDUCTION FOR CERTAIN FINES, PENALTIES, AND OTHER AMOUNTS.

(a) IN GENERAL.—Subsection (f) of section 162 (relating to trade or business expenses) is amended to read as follows:

''(f) FINES, PENALTIES, AND OTHER AMOUNTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), no deduction otherwise allowable shall be allowed under this chapter for any amount paid or incurred (whether by suit, agreement, or otherwise) to, or at the direction of, a government or entity described in paragraph (4) in relation to the violation of any law or the investigation or inquiry by such government or entity into the potential violation of any law.

''(2) EXCEPTION FOR AMOUNTS CONSTITUTING RESTITUTION OR PAID TO COME INTO COMPLIANCE WITH LAW.—Paragraph (1) shall not apply to any amount which—

''(A) the taxpayer establishes—

''(i) constitutes restitution (including remediation of property) for damage or harm caused by or which may be caused by the violation of any law or the potential violation of any law, or

''(ii) is paid to come into compliance with any law which was violated or involved in the investigation or inquiry, and

''(B) is identified as restitution or as an amount paid to come into compliance with the law, as the case may be, in the court order or settlement agreement.

Identification pursuant to subparagraph (B) alone shall not satisfy the requirement under subparagraph (A). This paragraph shall not apply to any amount paid or incurred as reimbursement to the government or entity for the costs of any investigation or litigation.

''(3) EXCEPTION FOR AMOUNTS PAID OR INCURRED AS THE RESULT OF CERTAIN COURT ORDERS.—Paragraph (1) shall not apply to any amount paid or incurred by order of a court in a suit in which no government or entity described in paragraph (4) is a party.

''(4) CERTAIN NONGOVERNMENTAL REGULATORY ENTITIES.—An entity is described in this paragraph if it is—

''(A) a nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) in connection with a qualified board or exchange (as defined in section 1256(g)(7)), or

''(B) to the extent provided in regulations, a nongovernmental entity which exercises self-regulatory powers (including imposing sanctions) as part of performing an essential governmental function.

''(5) EXCEPTION FOR TAXES DUE.—Paragraph (1) shall not apply to any amount paid or incurred as taxes due.''.

(b) REPORTING OF DEDUCTIBLE AMOUNTS.—

(1) IN GENERAL.—Subpart B of part III of subchapter A of chapter 61 is amended by inserting after section 6050T the following new section:

''SEC. 6050U. INFORMATION WITH RESPECT TO CERTAIN FINES, PENALTIES, AND OTHER AMOUNTS.

''(a) REQUIREMENT OF REPORTING.—

''(1) IN GENERAL.—The appropriate official of any government or entity which is described in section 162(f)(4) which is involved in a suit or agreement described in paragraph (2) shall make a return in such form as determined by the Secretary setting forth—

''(A) the amount required to be paid as a result of the suit or agreement to which paragraph (1) of section 162(f) applies,

''(B) any amount required to be paid as a result of the suit or agreement which constitutes restitution or remediation of property, and

''(C) any amount required to be paid as a result of the suit or agreement for the purpose of coming into compliance with any law which was violated or involved in the investigation or inquiry.

''(2) SUIT OR AGREEMENT DESCRIBED.—

''(A) IN GENERAL.—A suit or agreement is described in this paragraph if—

''(i) it is—

''(I) a suit with respect to a violation of any law over which the government or entity has authority and with respect to which there has been a court order, or

''(II) an agreement which is entered into with respect to a violation of any law over which the government or entity has authority, or with respect to an investigation or inquiry by the government or entity into the potential violation of any law over which such government or entity has authority, and

''(ii) the aggregate amount involved in all court orders and agreements with respect to the violation, investigation, or inquiry is $600 or more.

''(B) ADJUSTMENT OF REPORTING THRESHOLD.—The Secretary may adjust the $600 amount in subparagraph (A)(ii) as necessary in order to ensure the efficient administration of the internal revenue laws.

''(3) TIME OF FILING.—The return required under this subsection shall be filed not later than—

''(A) 30 days after the date on which a court order is issued with respect to the suit or the date the agreement is entered into, as the case may be, or

''(B) the date specified Secretary.

''(b) STATEMENTS TO BE FURNISHED TO INDIVIDUALS INVOLVED IN THE SETTLEMENT.—Every person required to make a return under subsection (a) shall furnish to each person who is a party to the suit or agreement a written statement showing—

''(1) the name of the government or entity, and

''(2) the information supplied to the Secretary under subsection (a)(1).

The written statement required under the preceding sentence shall be furnished to the person at the same time the government or entity provides the Secretary with the information required under subsection (a).

''(c) APPROPRIATE OFFICIAL DEFINED.—For purposes of this section, the term 'appropriate official' means the officer or employee having control of the suit, investigation, or inquiry or the person appropriately designated for purposes of this section.''.

(2) CONFORMING AMENDMENT.—The table of sections for subpart B of part III of subchapter A of chapter 61 is amended by inserting after the item relating to section 6050T the following new item:

''Sec. 6050U. Information with respect to certain fines, penalties, and other amounts.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred on or after the date of the enactment of this Act, except that such amendments shall not apply to amounts paid or incurred under any binding order or agreement entered into before such date. Such exception shall not apply to an order or agreement requiring court approval unless the approval was obtained before such date.

SEC. 316. DISALLOWANCE OF DEDUCTION FOR PUNITIVE DAMAGES.

(a) DISALLOWANCE OF DEDUCTION.—

(1) IN GENERAL.—Section 162(g) (relating to treble damage payments under the antitrust laws) is amended—

(A) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(B) by striking ''If'' and inserting:

''(1) TREBLE DAMAGES.—If'', and

(C) by adding at the end the following new paragraph:

''(2) PUNITIVE DAMAGES.—No deduction shall be allowed under this chapter for any amount paid or incurred for punitive damages in connection with any judgment in, or settlement of, any action. This paragraph shall not apply to punitive damages described in section 104(c).''.

(2) CONFORMING AMENDMENT.—The heading for section 162(g) is amended by inserting ''OR PUNITIVE DAMAGES'' after ''LAWS''.

(b) INCLUSION IN INCOME OF PUNITIVE DAMAGES PAID BY INSURER OR OTHERWISE.—

(1) IN GENERAL.—Part II of subchapter B of chapter 1 (relating to items specifically included in gross income) is amended by adding at the end the following new section:

''SEC. 91. PUNITIVE DAMAGES COMPENSATED BY INSURANCE OR OTHERWISE.

''Gross income shall include any amount paid to or on behalf of a taxpayer as insurance or otherwise by reason of the taxpayer's liability (or agreement) to pay punitive damages.''.

(2) REPORTING REQUIREMENTS.—Section 6041 (relating to information at source) is amended by adding at the end the following new subsection:

''(f) SECTION TO APPLY TO PUNITIVE DAMAGES COMPENSATION.—This section shall apply to payments by a person to or on behalf of another person as insurance or otherwise by reason of the other person's liability (or agreement) to pay punitive damages.''.

(3) CONFORMING AMENDMENT.—The table of sections for part II of subchapter B of chapter 1 is amended by adding at the end the following new item:

''Sec. 91. Punitive damages compensated by insurance or otherwise.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to damages paid or incurred on or after the date of the enactment of this Act.

SEC. 317. LIMITATION OF EMPLOYER DEDUCTION FOR CERTAIN ENTERTAINMENT EXPENSES.

(a) IN GENERAL.—Paragraph (2) of section 274(e) (relating to expenses treated as compensation) is amended to read as follows:

''(2) EXPENSES TREATED AS COMPENSATION.—Expenses for goods, services, and facilities, to the extent that the expenses do not exceed the amount of the expenses which are treated by the taxpayer, with respect to the recipient of the entertainment, amusement, or recreation, as compensation to an employee on the taxpayer's return of tax under this chapter and as wages to such employee for purposes of chapter 24 (relating to withholding of income tax at source on wages).''.

(b) PERSONS NOT EMPLOYEES.—Paragraph (9) of section 274(e) is amended by striking ''to the extent that the expenses are includible in the gross income'' and inserting ''to the extent that the expenses do not exceed the amount of the expenses which are includible in the gross income''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses incurred after the date of the enactment of this Act.

SEC. 318. IMPOSITION OF MARK-TO-MARKET TAX ON INDIVIDUALS WHO EXPATRIATE.

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

''SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.

''(a) GENERAL RULES.—For purposes of this subtitle—

''(1) MARK TO MARKET.—Except as provided in subsections (d) and (f), all property of a covered expatriate to whom this section applies shall be treated as sold on the day before the expatriation date for its fair market value.

''(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale under paragraph (1)—

''(A) notwithstanding any other provision of this title, any gain arising from such sale shall be taken into account for the taxable year of the sale, and

''(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply to any such loss.

Proper adjustment shall be made in the amount of any gain or loss subsequently realized for gain or loss taken into account under the preceding sentence.

''(3) EXCLUSION FOR CERTAIN GAIN.—

''(A) IN GENERAL.—The amount which, but for this paragraph, would be includible in the gross income of any individual by reason of this section shall be reduced (but not below zero) by $600,000. For purposes of this paragraph, allocable expatriation gain taken into account under subsection (f)(2) shall be treated in the same manner as an amount required to be includible in gross income.

''(B) COST-OF-LIVING ADJUSTMENT.—

''(i) IN GENERAL.—In the case of an expatriation date occurring in any calendar year after 2005, the $600,000 amount under subparagraph (A) shall be increased by an amount equal to—

''(I) such dollar amount, multiplied by

''(II) the cost-of-living adjustment determined under section 1(f)(3) for such calendar year, determined by substituting 'calendar year 2004' for 'calendar year 1992' in subparagraph (B) thereof.

''(ii) ROUNDING RULES.—If any amount after adjustment under clause (i) is not a multiple of $1,000, such amount shall be rounded to the next lower multiple of $1,000.

''(4) ELECTION TO CONTINUE TO BE TAXED AS UNITED STATES CITIZEN.—

''(A) IN GENERAL.—If a covered expatriate elects the application of this paragraph—

''(i) this section (other than this paragraph and subsection (i)) shall not apply to the expatriate, but

''(ii) in the case of property to which this section would apply but for such election, the expatriate shall be subject to tax under this title in the same manner as if the individual were a United States citizen.

''(B) REQUIREMENTS.—Subparagraph (A) shall not apply to an individual unless the individual—

''(i) provides security for payment of tax in such form and manner, and in such amount, as the Secretary may require,

''(ii) consents to the waiver of any right of the individual under any treaty of the United States which would preclude assessment or collection of any tax which may be imposed by reason of this paragraph, and

''(iii) complies with such other requirements as the Secretary may prescribe.

''(C) ELECTION.—An election under subparagraph (A) shall apply to all property to which this section would apply but for the election and, once made, shall be irrevocable. Such election shall also apply to property the basis of which is determined in whole or in part by reference to the property with respect to which the election was made.

''(b) ELECTION TO DEFER TAX.—

''(1) IN GENERAL.—If the taxpayer elects the application of this subsection with respect to any property treated as sold by reason of subsection (a), the payment of the additional tax attributable to such property shall be postponed until the due date of the return for the taxable year in which such property is disposed of (or, in the case of property disposed of in a transaction in which gain is not recognized in whole or in part, until such other date as the Secretary may prescribe).

''(2) DETERMINATION OF TAX WITH RESPECT TO PROPERTY.—For purposes of paragraph (1), the additional tax attributable to any property is an amount which bears the same ratio to the additional tax imposed by this chapter for the taxable year solely by reason of subsection (a) as the gain taken into account under subsection (a) with respect to such property bears to the total gain taken into account under subsection (a) with respect to all property to which subsection (a) applies.

''(3) TERMINATION OF POSTPONEMENT.—No tax may be postponed under this subsection later than the due date for the return of tax imposed by this chapter for the taxable year which includes the date of death of the expatriate (or, if earlier, the time that the security provided with respect to the property fails to meet the requirements of paragraph (4), unless the taxpayer corrects such failure within the time specified by the Secretary).

''(4) SECURITY.—

''(A) IN GENERAL.—No election may be made under paragraph (1) with respect to any property unless adequate security is provided to the Secretary with respect to such property.

''(B) ADEQUATE SECURITY.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

''(i) it is a bond in an amount equal to the deferred tax amount under paragraph (2) for the property, or

''(ii) the taxpayer otherwise establishes to the satisfaction of the Secretary that the security is adequate.

''(5) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the taxpayer consents to the waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

''(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable. An election may be made under paragraph (1) with respect to an interest in a trust with respect to which gain is required to be recognized under subsection (f)(1).

''(7) INTEREST.—For purposes of section 6601—

''(A) the last date for the payment of tax shall be determined without regard to the election under this subsection, and

''(B) section 6621(a)(2) shall be applied by substituting '5 percentage points' for '3 percentage points' in subparagraph (B) thereof.

''(c) COVERED EXPATRIATE.—For purposes of this section—

''(1) IN GENERAL.—Except as provided in paragraph (2), the term 'covered expatriate' means an expatriate.

''(2) EXCEPTIONS.—An individual shall not be treated as a covered expatriate if—

''(A) the individual—

''(i) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

''(ii) has not been a resident of the United States (as defined in section 7701(b)(1)(A)(ii)) during the 5 taxable years ending with the taxable year during which the expatriation date occurs, or

''(B)(i) the individual's relinquishment of United States citizenship occurs before such individual attains age 18 1/2, and

''(ii) the individual has been a resident of the United States (as so defined) for not more than 5 taxable years before the date of relinquishment.

''(d) EXEMPT PROPERTY; SPECIAL RULES FOR PENSION PLANS.—

''(1) EXEMPT PROPERTY.—This section shall not apply to the following:

''(A) UNITED STATES REAL PROPERTY INTERESTS.—Any United States real property interest (as defined in section 897(c)(1)), other than stock of a United States real property holding corporation which does not, on the day before the expatriation date, meet the requirements of section 897(c)(2).

''(B) SPECIFIED PROPERTY.—Any property or interest in property not described in subparagraph (A) which the Secretary specifies in regulations.

''(2) SPECIAL RULES FOR CERTAIN RETIREMENT PLANS.—

''(A) IN GENERAL.—If a covered expatriate holds on the day before the expatriation date any interest in a retirement plan to which this paragraph applies—

''(i) such interest shall not be treated as sold for purposes of subsection (a)(1), but

''(ii) an amount equal to the present value of the expatriate's nonforfeitable accrued benefit shall be treated as having been received by such individual on such date as a distribution under the plan.

''(B) TREATMENT OF SUBSEQUENT DISTRIBUTIONS.—In the case of any distribution on or after the expatriation date to or on behalf of the covered expatriate from a plan from which the expatriate was treated as receiving a distribution under subparagraph (A), the amount otherwise includible in gross income by reason of the subsequent distribution shall be reduced by the excess of the amount includible in gross income under subparagraph (A) over any portion of such amount to which this subparagraph previously applied.

''(C) TREATMENT OF SUBSEQUENT DISTRIBUTIONS BY PLAN.—For purposes of this title, a retirement plan to which this paragraph applies, and any person acting on the plan's behalf, shall treat any subsequent distribution described in subparagraph (B) in the same manner as such distribution would be treated without regard to this paragraph.

''(D) APPLICABLE PLANS.—This paragraph shall apply to—

''(i) any qualified retirement plan (as defined in section 4974(c)),

''(ii) an eligible deferred compensation plan (as defined in section 457(b)) of an eligible employer described in section 457(e)(1)(A), and

''(iii) to the extent provided in regulations, any foreign pension plan or similar retirement arrangements or programs.

''(e) DEFINITIONS.—For purposes of this section—

''(1) EXPATRIATE.—The term 'expatriate' means—

''(A) any United States citizen who relinquishes citizenship, and

''(B) any long-term resident of the United States who—

''(i) ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)), or

''(ii) commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country and who does not waive the benefits of such treaty applicable to residents of the foreign country.

''(2) EXPATRIATION DATE.—The term 'expatriation date' means—

''(A) the date an individual relinquishes United States citizenship, or

''(B) in the case of a long-term resident of the United States, the date of the event described in clause (i) or (ii) of paragraph (1)(B).

''(3) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing United States citizenship on the earliest of—

''(A) the date the individual renounces such individual's United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

''(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

''(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

''(D) the date a court of the United States cancels a naturalized citizen's certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

''(4) LONG-TERM RESIDENT.—The term 'long-term resident' has the meaning given to such term by section 877(e)(2).

''(f) SPECIAL RULES APPLICABLE TO BENEFICIARIES' INTERESTS IN TRUST.—

''(1) IN GENERAL.—Except as provided in paragraph (2), if an individual is determined under paragraph (3) to hold an interest in a trust on the day before the expatriation date—

''(A) the individual shall not be treated as having sold such interest,

''(B) such interest shall be treated as a separate share in the trust, and

''(C)(i) such separate share shall be treated as a separate trust consisting of the assets allocable to such share,

''(ii) the separate trust shall be treated as having sold its assets on the day before the expatriation date for their fair market value and as having distributed all of its assets to the individual as of such time, and

''(iii) the individual shall be treated as having recontributed the assets to the separate trust.

Subsection (a)(2) shall apply to any income, gain, or loss of the individual arising from a distribution described in subparagraph (C)(ii). In determining the amount of such distribution, proper adjustments shall be made for liabilities of the trust allocable to an individual's share in the trust.

''(2) SPECIAL RULES FOR INTERESTS IN QUALIFIED TRUSTS.—

''(A) IN GENERAL.—If the trust interest described in paragraph (1) is an interest in a qualified trust—

''(i) paragraph (1) and subsection (a) shall not apply, and

''(ii) in addition to any other tax imposed by this title, there is hereby imposed on each distribution with respect to such interest a tax in the amount determined under subparagraph (B).

''(B) AMOUNT OF TAX.—The amount of tax under subparagraph (A)(ii) shall be equal to the lesser of—

''(i) the highest rate of tax imposed by section 1(e) for the taxable year which includes the day before the expatriation date, multiplied by the amount of the distribution, or

''(ii) the balance in the deferred tax account immediately before the distribution determined without regard to any increases under subparagraph (C)(ii) after the 30th day preceding the distribution.

''(C) DEFERRED TAX ACCOUNT.—For purposes of subparagraph (B)(ii)—

''(i) OPENING BALANCE.—The opening balance in a deferred tax account with respect to any trust interest is an amount equal to the tax which would have been imposed on the allocable expatriation gain with respect to the trust interest if such gain had been included in gross income under subsection (a).

''(ii) INCREASE FOR INTEREST.—The balance in the deferred tax account shall be increased by the amount of interest determined (on the balance in the account at the time the interest accrues), for periods after the 90th day after the expatriation date, by using the rates and method applicable under section 6621 for underpayments of tax for such periods, except that section 6621(a)(2) shall be applied by substituting '5 percentage points' for '3 percentage points' in subparagraph (B) thereof.

''(iii) DECREASE FOR TAXES PREVIOUSLY PAID.—The balance in the tax deferred account shall be reduced—

''(I) by the amount of taxes imposed by subparagraph (A) on any distribution to the person holding the trust interest, and

''(II) in the case of a person holding a nonvested interest, to the extent provided in regulations, by the amount of taxes imposed by subparagraph (A) on distributions from the trust with respect to nonvested interests not held by such person.

''(D) ALLOCABLE EXPATRIATION GAIN.—For purposes of this paragraph, the allocable expatriation gain with respect to any beneficiary's interest in a trust is the amount of gain which would be allocable to such beneficiary's vested and nonvested interests in the trust if the beneficiary held directly all assets allocable to such interests.

''(E) TAX DEDUCTED AND WITHHELD.—

''(i) IN GENERAL.—The tax imposed by subparagraph (A)(ii) shall be deducted and withheld by the trustees from the distribution to which it relates.

''(ii) EXCEPTION WHERE FAILURE TO WAIVE TREATY RIGHTS.—If an amount may not be deducted and withheld under clause (i) by reason of the distributee failing to waive any treaty right with respect to such distribution—

''(I) the tax imposed by subparagraph (A)(ii) shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax, and

''(II) any other beneficiary of the trust shall be entitled to recover from the distributee the amount of such tax imposed on the other beneficiary.

''(F) DISPOSITION.—If a trust ceases to be a qualified trust at any time, a covered expatriate disposes of an interest in a qualified trust, or a covered expatriate holding an interest in a qualified trust dies, then, in lieu of the tax imposed by subparagraph (A)(ii), there is hereby imposed a tax equal to the lesser of—

''(i) the tax determined under paragraph (1) as if the day before the expatriation date were the date of such cessation, disposition, or death, whichever is applicable, or

''(ii) the balance in the tax deferred account immediately before such date.

Such tax shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax and any other beneficiary of the trust shall be entitled to recover from the covered expatriate or the estate the amount of such tax imposed on the other beneficiary.

''(G) DEFINITIONS AND SPECIAL RULES.—For purposes of this paragraph—

''(i) QUALIFIED TRUST.—The term 'qualified trust' means a trust which is described in section 7701(a)(30)(E).

''(ii) VESTED INTEREST.—The term 'vested interest' means any interest which, as of the day before the expatriation date, is vested in the beneficiary.

''(iii) NONVESTED INTEREST.—The term 'nonvested interest' means, with respect to any beneficiary, any interest in a trust which is not a vested interest. Such interest shall be determined by assuming the maximum exercise of discretion in favor of the beneficiary and the occurrence of all contingencies in favor of the beneficiary.

''(iv) ADJUSTMENTS.—The Secretary may provide for such adjustments to the bases of assets in a trust or a deferred tax account, and the timing of such adjustments, in order to ensure that gain is taxed only once.

''(v) COORDINATION WITH RETIREMENT PLAN RULES.—This subsection shall not apply to an interest in a trust which is part of a retirement plan to which subsection (d)(2) applies.

''(3) DETERMINATION OF BENEFICIARIES' INTEREST IN TRUST.—

''(A) DETERMINATIONS UNDER PARAGRAPH (1).—For purposes of paragraph (1), a beneficiary's interest in a trust shall be based upon all relevant facts and circumstances, including the terms of the trust instrument and any letter of wishes or similar document, historical patterns of trust distributions, and the existence of and functions performed by a trust protector or any similar adviser.

''(B) OTHER DETERMINATIONS.—For purposes of this section—

''(i) CONSTRUCTIVE OWNERSHIP.—If a beneficiary of a trust is a corporation, partnership, trust, or estate, the shareholders, partners, or beneficiaries shall be deemed to be the trust beneficiaries for purposes of this section.

''(ii) TAXPAYER RETURN POSITION.—A taxpayer shall clearly indicate on its income tax return—

''(I) the methodology used to determine that taxpayer's trust interest under this section, and

''(II) if the taxpayer knows (or has reason to know) that any other beneficiary of such trust is using a different methodology to determine such beneficiary's trust interest under this section.

''(g) TERMINATION OF DEFERRALS, ETC.—In the case of any covered expatriate, notwithstanding any other provision of this title—

''(1) any period during which recognition of income or gain is deferred shall terminate on the day before the expatriation date, and

''(2) any extension of time for payment of tax shall cease to apply on the day before the expatriation date and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

''(h) IMPOSITION OF TENTATIVE TAX.—

''(1) IN GENERAL.—If an individual is required to include any amount in gross income under subsection (a) for any taxable year, there is hereby imposed, immediately before the expatriation date, a tax in an amount equal to the amount of tax which would be imposed if the taxable year were a short taxable year ending on the expatriation date.

''(2) DUE DATE.—The due date for any tax imposed by paragraph (1) shall be the 90th day after the expatriation date.

''(3) TREATMENT OF TAX.—Any tax paid under paragraph (1) shall be treated as a payment of the tax imposed by this chapter for the taxable year to which subsection (a) applies.

''(4) DEFERRAL OF TAX.—The provisions of subsection (b) shall apply to the tax imposed by this subsection to the extent attributable to gain includible in gross income by reason of this section.

''(i) SPECIAL LIENS FOR DEFERRED TAX AMOUNTS.—

''(1) IMPOSITION OF LIEN.—

''(A) IN GENERAL.—If a covered expatriate makes an election under subsection (a)(4) or (b) which results in the deferral of any tax imposed by reason of subsection (a), the deferred amount (including any interest, additional amount, addition to tax, assessable penalty, and costs attributable to the deferred amount) shall be a lien in favor of the United States on all property of the expatriate located in the United States (without regard to whether this section applies to the property).

''(B) DEFERRED AMOUNT.—For purposes of this subsection, the deferred amount is the amount of the increase in the covered expatriate's income tax which, but for the election under subsection (a)(4) or (b), would have occurred by reason of this section for the taxable year including the expatriation date.

''(2) PERIOD OF LIEN.—The lien imposed by this subsection shall arise on the expatriation date and continue until—

''(A) the liability for tax by reason of this section is satisfied or has become unenforceable by reason of lapse of time, or

''(B) it is established to the satisfaction of the Secretary that no further tax liability may arise by reason of this section.

''(3) CERTAIN RULES APPLY.—The rules set forth in paragraphs (1), (3), and (4) of section 6324A(d) shall apply with respect to the lien imposed by this subsection as if it were a lien imposed by section 6324A.

''(j) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) INCLUSION IN INCOME OF GIFTS AND BEQUESTS RECEIVED BY UNITED STATES CITIZENS AND RESIDENTS FROM EXPATRIATES.—Section 102 (relating to gifts, etc. not included in gross income) is amended by adding at the end the following new subsection:

''(d) GIFTS AND INHERITANCES FROM COVERED EXPATRIATES.—

''(1) IN GENERAL.—Subsection (a) shall not exclude from gross income the value of any property acquired by gift, bequest, devise, or inheritance from a covered expatriate after the expatriation date. For purposes of this subsection, any term used in this subsection which is also used in section 877A shall have the same meaning as when used in section 877A.

''(2) EXCEPTIONS FOR TRANSFERS OTHERWISE SUBJECT TO ESTATE OR GIFT TAX.—Paragraph (1) shall not apply to any property if either—

''(A) the gift, bequest, devise, or inheritance is—

''(i) shown on a timely filed return of tax imposed by chapter 12 as a taxable gift by the covered expatriate, or

''(ii) included in the gross estate of the covered expatriate for purposes of chapter 11 and shown on a timely filed return of tax imposed by chapter 11 of the estate of the covered expatriate, or

''(B) no such return was timely filed but no such return would have been required to be filed even if the covered expatriate were a citizen or long-term resident of the United States.''.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

''(49) TERMINATION OF UNITED STATES CITIZENSHIP.—

''(A) IN GENERAL.—An individual shall not cease to be treated as a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(e)(3).

''(B) DUAL CITIZENS.—Under regulations prescribed by the Secretary, subparagraph (A) shall not apply to an individual who became at birth a citizen of the United States and a citizen of another country.''.

(d) INELIGIBILITY FOR VISA OR ADMISSION TO UNITED STATES.—

(1) IN GENERAL.—Section 212(a)(10)(E) of the Immigration and Nationality Act (8 U.S.C. 1182(a)(10)(E)) is amended to read as follows:

''(E) FORMER CITIZENS NOT IN COMPLIANCE WITH EXPATRIATION REVENUE PROVISIONS.—Any alien who is a former citizen of the United States who relinquishes United States citizenship (within the meaning of section 877A(e)(3) of the Internal Revenue Code of 1986) and who is not in compliance with section 877A of such Code (relating to expatriation).''.

(2) AVAILABILITY OF INFORMATION.—

(A) IN GENERAL.—Section 6103(l) (relating to disclosure of returns and return information for purposes other than tax administration) is amended by adding at the end the following new paragraph:

''(21) DISCLOSURE TO DENY VISA OR ADMISSION TO CERTAIN EXPATRIATES.—Upon written request of the Attorney General or the Attorney General's delegate, the Secretary shall disclose whether an individual is in compliance with section 877A (and if not in compliance, any items of noncompliance) to officers and employees of the Federal agency responsible for administering section 212(a)(10)(E) of the Immigration and Nationality Act solely for the purpose of, and to the extent necessary in, administering such section 212(a)(10)(E).''.

(B) SAFEGUARDS.—Section 6103(p)(4) (relating to safeguards) is amended by striking ''or (20)'' each place it appears and inserting ''(20), or (21)''.

(3) EFFECTIVE DATES.—The amendments made by this subsection shall apply to individuals who relinquish United States citizenship on or after the date of the enactment of this Act.

(e) CONFORMING AMENDMENTS.—

(1) Section 877 is amended by adding at the end the following new subsection:

''(h) APPLICATION.—This section shall not apply to an expatriate (as defined in section 877A(e)) whose expatriation date (as so defined) occurs on or after the date of the enactment of this subsection.''.

(2) Section 2107 is amended by adding at the end the following new subsection:

''(f) APPLICATION.—This section shall not apply to any expatriate subject to section 877A.''.

(3) Section 2501(a)(3) is amended by adding at the end the following new subparagraph:

''(C) APPLICATION.—This paragraph shall not apply to any expatriate subject to section 877A.''.

(4) Section 6039G(a) is amended by inserting ''or 877A'' after ''section 877(b)''.

(5) The second sentence of section 6039G(d) is amended by inserting ''or who relinquishes

United States citizenship (within the meaning of section 877A(e)(3))'' after ''section 877(a))''.

(f) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

''Sec. 877A. Tax responsibilities of expatriation.''.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (within the meaning of section 877A(e) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) occurs on or after the date of the enactment of this Act.

(2) GIFTS AND BEQUESTS.—Section 102(d) of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to gifts and bequests received on or after the date of the enactment of this Act, from an individual or the estate of an individual whose expatriation date (as so defined) occurs after such date.

(3) DUE DATE FOR TENTATIVE TAX.—The due date under section 877A(h)(2) of the Internal Revenue Code of 1986, as added by this section, shall in no event occur before the 90th day after the date of the enactment of this Act.

SEC. 319. MODIFICATION OF EXCLUSION FOR CITIZENS LIVING ABROAD.

(a) INFLATION ADJUSTMENT OF FOREIGN EARNED INCOME LIMITATION.—Clause (ii) of section 911(b)(2)(D) (relating to inflation adjustment) is amended—

(1) by striking ''2007'' and inserting ''2005'', and

(2) by striking ''2006'' in subclause (II) and inserting ''2004''.

(b) MODIFICATION OF HOUSING COST AMOUNT.—

(1) MINIMUM AMOUNT.—Clause (i) of section 911(c)(1)(B) is amended to read as follows:

''(i) 16 percent of the amount (computed on a daily basis) in effect under subsection (b)(2)(D) for the calendar year in which such taxable year begins, multiplied by''.

(2) MAXIMUM AMOUNT OF EXCLUSION.—

(A) IN GENERAL.—Subparagraph (A) of section 911(c)(1) is amended by inserting ''to the extent such expenses do not exceed the amount determined under paragraph (2)'' after ''the taxable year''.

(B) LIMITATION.—Subsection (c) of section 911 is amended by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

''(2) LIMITATION.—The amount determined under this paragraph is an amount equal to the product of—

''(A) 30 percent of the amount (computed on a daily basis) in effect under subsection (b)(2)(D) for the calendar year in which the taxable year of the individual begins, multiplied by

''(B) the number of days of such taxable year within the applicable period described in subparagraph (A) or (B) of subsection (d)(1).''.

(C) CONFORMING AMENDMENTS.—

(i) Section 911(d)(4) is amended by striking ''and (c)(1)(B)(ii)'' and inserting '', (c)(1)(B)(ii), and (c)(2)(B)''

(ii) Section 911(d)(7) is amended by striking ''subsection (c)(3)'' and inserting ''subsection (c)(4)''.

(c) RATES OF TAX APPLICABLE TO NONEXCLUDED INCOME.—Section 911 (relating to exclusion of certain income of citizens and residents of the United States living abroad) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) DETERMINATION OF TAX LIABILITY ON NONEXCLUDED AMOUNTS.—If any amount is excluded from the gross income of a taxpayer under subsection (a) for any taxable year, then, notwithstanding section 1 or 55—

''(1) the tax imposed by section 1 on the taxpayer for such taxable year shall be equal to the excess (if any) of—

''(A) the tax which would be imposed by section 1 for the taxable year if the taxpayer's taxable income were equal to the sum of—

''(i) the taxpayer's taxable income for the taxable year (determined without regard to this subsection), plus

''(ii) the amount excluded under subsection (a) for the taxable year, over

''(B) the tax which would be imposed by section 1 for the taxable year if the taxpayer's taxable income were equal to the amount excluded under subsection (a) for the taxable year, and

''(2) the tax imposed by section 55 for such taxable year shall be equal to the excess (if any) of—

''(A) the amount which would be the tentative minimum tax under section 55 for the taxable year if the taxpayer's alternative minimum taxable income were equal to the sum of—

''(i) the taxpayer's alternative minimum taxable income for the taxable year (determined without regard to this subsection), plus

''(ii) the amount excluded under subsection (a) for the taxable year, over

''(B) the sum of—

''(i) the amount which would be the tentative minimum tax under section 55 for the taxable year if the taxpayer's alternative minimum taxable income were equal to the amount excluded under subsection (a) for the taxable year, plus

''(ii) the amount which would be the regular tax for the taxable year if the tax imposed by section 1 were the tax computed under paragraph (1).

For purposes of this subsection, the amount excluded under subsection (a) shall be reduced by the aggregate amount of any deductions or exclusions disallowed under subsection (d)(6) with respect to such excluded amount.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 320. LIMITATION ON ANNUAL AMOUNTS WHICH MAY BE DEFERRED UNDER NONQUALIFIED DEFERRED COMPENSATION ARRANGEMENTS.

(a) IN GENERAL.—Section 409A (relating to inclusion of gross income under nonqualified deferred compensation plans) is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and by inserting after subsection (b) the following new subsection:

''(c) ANNUAL LIMITATION ON AGGREGATE DEFERRED AMOUNTS.—

''(1) LIMITATION.—If the aggregate amount of compensation which—

''(A) is deferred for any taxable year with respect to a participant under 1 or more nonqualified deferred compensation plans maintained by the same employer, and

''(B) is not otherwise includible in gross income of the participant for the taxable year, exceeds the applicable dollar amount for the taxable year, then such excess shall be included in the participant's gross income for the taxable year.

''(2) INCLUSION OF EARNINGS.—If—

''(A) an amount is includible under paragraph (1) in the gross income of a participant for any taxable year, and

''(B) any portion of any assets set aside in a trust or other arrangement under a nonqualified deferred compensation plan are properly allocable to such amount,

then any increase in value in, or earnings with respect to, such portion for the taxable year or any succeeding taxable year shall be included in gross income of the participant for such taxable year or succeeding taxable year.

''(3) APPLICABLE DOLLAR AMOUNT.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'applicable dollar amount' means, with respect to any participant, the lesser of—

''(i) the average annual compensation which—

''(I) was payable during the base period to the participant by the employer described in paragraph (1)(A), and

''(II) was includible in the participant's gross income for taxable years in the base period, or

''(ii) $1,000,000.

''(B) BASE PERIOD.—The term 'base period' means, with respect to any computation year, the 5-taxable year period ending with the taxable year preceding the taxable year in which the election described in subsection (a)(4)(B) is made by the participant to have compensation for services performed in the computation year deferred under a nonqualified deferred compensation plan, except that if the election is made after the beginning of the computation year, such period shall be the 5-taxable year period ending with the taxable year preceding the computation year. For purposes of this subparagraph, the term 'computation year' means any taxable year of the participant for which the limitation under paragraph (1) is being determined.''.

(b) CONFORMING AMENDMENTS.—Sections 6041(g)(1) and 6051(a)(13) are each amended by striking ''409A(d)'' and inserting ''409A(e)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005, except that taxable years beginning on or before such date shall be taken into account in determining the average annual compensation of a participant during any base period for purposes of section 409A(c)(2) of the Internal Revenue Code of 1986 (as added by such amendments).

SEC. 321. INCREASE IN AGE OF MINOR CHILDREN WHOSE UNEARNED INCOME IS TAXED AS IF PARENT'S INCOME.

(a) IN GENERAL.—Section 1(g)(2)(A) (relating to child to whom subsection applies) is amended by striking ''age 14'' and inserting ''age 18''.

(b) TREATMENT OF DISTRIBUTIONS FROM QUALIFIED DISABILITY TRUSTS.—Section 1(g)(4) (relating to net unearned income) is amended by adding at the end the following new subparagraph:

''(C) TREATMENT OF DISTRIBUTIONS FROM QUALIFIED DISABILITY TRUSTS.—For purposes of this subsection, in the case of any child who is a beneficiary of a qualified disability trust (as defined in section 642(b)(2)(C)(ii)), any amount included in the income of such child under sections 652 and 662 during a taxable year shall be considered earned income of such child for such taxable year.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

Subtitle C—Oil and Gas Provisions

SEC. 331. EXTENSION OF SUPERFUND TAXES.

(a) EXCISE TAXES.—Section 4611(e) is amended to read as follows:

''(e) APPLICATION OF HAZARDOUS SUBSTANCE SUPERFUND FINANCING RATE.—The Hazardous Substance Superfund financing rate under this section shall apply after December 31, 1986, and before January 1, 1996, and after December 31, 2005, and before January 1, 2015.''

(b) CORPORATE ENVIRONMENTAL INCOME TAX.—Section 59A(e) is amended to read as follows:

''(e) APPLICATION OF TAX.—The tax imposed by this section shall apply to taxable years beginning after December 31, 1986, and before January 1, 1996, and to taxable years beginning after December 31, 2005, and before January 1, 2015.''

(c) EFFECTIVE DATES.—

(1) EXCISE TAXES.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) INCOME TAX.—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 2005.

SEC. 332. MODIFICATIONS OF FOREIGN TAX CREDIT RULES APPLICABLE TO DUAL CAPACITY TAXPAYERS.

(a) IN GENERAL.—Section 901 (relating to credit for taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) SPECIAL RULES RELATING TO DUAL CAPACITY TAXPAYERS.—

''(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, any amount paid or accrued by a dual capacity taxpayer to a foreign country or possession of the United States for any period shall not be considered a tax—

''(A) if, for such period, the foreign country or possession does not impose a generally applicable income tax, or

''(B) to the extent such amount exceeds the amount (determined in accordance with regulations) which—

''(i) is paid by such dual capacity taxpayer pursuant to the generally applicable income tax imposed by the country or possession, or

''(ii) would be paid if the generally applicable income tax imposed by the country or possession were applicable to such dual capacity taxpayer.

Nothing in this paragraph shall be construed to imply the proper treatment of any such amount not in excess of the amount determined under subparagraph (B).

''(2) DUAL CAPACITY TAXPAYER.—For purposes of this subsection, the term 'dual capacity taxpayer' means, with respect to any foreign country or possession of the United States, a person who—

''(A) is subject to a levy of such country or possession, and

''(B) receives (or will receive) directly or indirectly a specific economic benefit (as determined in accordance with regulations) from such country or possession.

''(3) GENERALLY APPLICABLE INCOME TAX.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'generally applicable income tax' means an income tax (or a series of income taxes) which is generally imposed under the laws of a foreign country or possession on income derived from the conduct of a trade or business within such country or possession.

''(B) EXCEPTIONS.—Such term shall not include a tax unless it has substantial application, by its terms and in practice, to—

''(i) persons who are not dual capacity taxpayers, and

''(ii) persons who are citizens or residents of the foreign country or possession.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after the date of the enactment of this Act.

(2) CONTRARY TREATY OBLIGATIONS UPHELD.—The amendments made by this section shall not apply to the extent contrary to any treaty obligation of the United States.

SEC. 333. RULES RELATING TO FOREIGN OIL AND GAS INCOME.

(a) SEPARATE BASKET FOR FOREIGN TAX CREDIT.—

(1) SEPARATE BASKET.—

(A) YEARS BEFORE 2007.—Paragraph (1) of section 904(d) (relating to separate application of section with respect to certain categories of income), as in effect for years beginning before 2007, is amended by striking ''and'' at the end of subparagraph (H), by redesignating subparagraph (I) as subparagraph (J), and by inserting after subparagraph (H) the following new subparagraph:

''(I) foreign oil and gas income, and''.

(B) 2007 AND AFTER.—Paragraph (1) of section 904(d), as in effect for years beginning after 2006, is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following:

''(C) foreign oil and gas income.''

(2) DEFINITION.—

(A) YEARS BEFORE 2007.—Paragraph (2) of section 904(d), as in effect for years beginning before 2007, is amended by redesignating subparagraphs (H) and (I) as subparagraphs (I) and (J), respectively, and by inserting after subparagraph (G) the following new subparagraph:

''(H) FOREIGN OIL AND GAS INCOME.—The term 'foreign oil and gas income' has the meaning given such term by section 954(g).''

(B) 2007 AND AFTER.—Section 904(d)(2), as in effect for years after 2006, is amended by redesignating subparagraphs (J) and (K) as subparagraphs (K) and (L) and by inserting after subparagraph (I) the following:

''(J) FOREIGN OIL AND GAS INCOME.—For purposes of this section—

''(i) IN GENERAL.—The term 'foreign oil and gas income' has the meaning given such term by section 954(g).

''(ii) COORDINATION.—Passive category income and general category income shall not include foreign oil and gas income (as so defined).''

(3) CONFORMING AMENDMENTS.—

(A) Section 904(d)(3)(F)(i) is amended by striking ''or (E)'' and inserting ''(E), or (I)''.

(B) Section 907(a) is hereby repealed.

(C) Section 907(c)(4) is hereby repealed.

(D) Section 907(f) is hereby repealed.

(4) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(B) YEARS AFTER 2006.—The amendments made by paragraphs (1)(B) and (2)(B) shall apply to taxable years beginning after December 31, 2006.

(C) TRANSITIONAL RULES.—

(i) SEPARATE BASKET TREATMENT.—Any taxes paid or accrued in a taxable year beginning on or before the date of the enactment of this Act, with respect to income which was described in subparagraph (I) of section 904(d)(1) of such Code (as in effect on the day before the date of the enactment of this Act), shall be treated as taxes paid or accrued with respect to foreign oil and gas income to the extent the taxpayer establishes to the satisfaction of the Secretary of the Treasury that such taxes were paid or accrued with respect to foreign oil and gas income.

(ii) CARRYOVERS.—Any unused oil and gas extraction taxes which under section 907(f) of such Code (as so in effect) would have been allowable as a carryover to the taxpayer's first taxable year beginning after the date of the enactment of this Act (without regard to the limitation of paragraph (2) of such section 907(f) for first taxable year) shall be allowed as carryovers under section 904(c) of such Code in the same manner as if such taxes were unused taxes under such section 904(c) with respect to foreign oil and gas extraction income.

(iii) LOSSES.—The amendment made by paragraph (3)(C) shall not apply to foreign oil and gas extraction losses arising in taxable years beginning on or before the date of the enactment of this Act.

(b) ELIMINATION OF DEFERRAL FOR FOREIGN OIL AND GAS EXTRACTION INCOME.—

(1) GENERAL RULE.—Paragraph (1) of section 954(g) (defining foreign base company oil related income) is amended to read as follows:

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'foreign oil and gas income' means any income of a kind which would be taken into account in determining the amount of—

''(A) foreign oil and gas extraction income (as defined in section 907(c)), or

''(B) foreign oil related income (as defined in section 907(c)).''

(2) CONFORMING AMENDMENTS.—

(A) Subsections (a)(5), (b)(5), and (b)(6) of section 954, and section 952(c)(1)(B)(ii)(I), are each amended by striking ''base company oil related income'' each place it appears (including in the heading of subsection (b)(8)) and inserting ''oil and gas income''.

(B) Subsection (b)(4) of section 954 is amended by striking ''base company oil-related income'' and inserting ''oil and gas income''.

(C) The subsection heading for subsection (g) of section 954 is amended by striking ''FOREIGN BASE COMPANY OIL RELATED INCOME'' and inserting ''FOREIGN OIL AND GAS INCOME''.

(D) Subparagraph (A) of section 954(g)(2) is amended by striking ''foreign base company oil related income'' and inserting ''foreign oil and gas income''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years of foreign corporations beginning after the date of the enactment of this Act, and to taxable years of United States shareholders ending with or within such taxable years of foreign corporations.

SEC. 334. MODIFICATION OF CREDIT FOR PRODUCING FUEL FROM A NONCONVENTIONAL SOURCE.

(a) TAXABLE YEARS ENDING BEFORE 2006.—

(1) MODIFICATION OF PHASEOUT.—

(A) IN GENERAL.—Section 29(b)(1)(A) is amended by inserting ''the calendar year preceding'' before ''the calendar year''.

(B) CONFORMING AMENDMENTS.—Section 29(b)((2) is amended—

(i) by striking ''The'' and inserting ''With respect to any calendar year, the'', and

(ii) by striking ''for the calendar year in which the sale occurs'' and inserting ''for such calendar year''.

(2) NO INFLATION ADJUSTMENT FOR THE CREDIT AMOUNT IN 2005.—Section 29(b)(2), as amended by paragraph (1), is amended by adding at the end the following new sentence: ''This paragraph shall not apply with respect to the $3 amount in subsection (a) for calendar year 2005 and the amount in effect under subsection (a) for sales in such calendar year shall be the amount which was in effect for sales in calendar year 2004.''.

(b) TAXABLE YEARS ENDING AFTER 2005.—

(1) MODIFICATION OF PHASEOUT.—

(A) IN GENERAL.—Section 45K(b)(1)(A) is amended by inserting ''the calendar year preceding'' before ''the calendar year''.

(B) CONFORMING AMENDMENTS.—Section 45K(b)((2) is amended—

(i) by striking ''The'' and inserting ''With respect to any calendar year, the'', and

(ii) by striking ''for the calendar year in which the sale occurs'' and inserting ''for such calendar year''.

(2) NO INFLATION ADJUSTMENT FOR THE CREDIT AMOUNT IN 2005, 2006, AND 2007.—Section 45K(b)(2), as amended by paragraph (1), is amended by adding at the end the following new sentence: ''This paragraph shall not apply with respect to the $3 amount in subsection (a) for calendar years 2005, 2006, and 2007 and the amount in effect under subsection (a) for sales in each such calendar year shall be the amount which was in effect for sales in calendar year 2004.''.

(3) TREATMENT OF COKE AND COKE GAS.—

(A) NONAPPLICATION OF PHASEOUT.—Section 45K(g)(2) is amended by adding at the end the following new subparagraph:

''(D) NONAPPLICATION OF PHASEOUT.—Subsection (b)(1) shall not apply.''.

(B) APPLICATION OF INFLATION ADJUSTMENT .—Section 45K(g)(2)(B) is amended by inserting ''and the last sentence of subsection (b)(2) shall not apply.''.

(C) CLARIFICATION OF QUALIFYING FACILITY.—Section 45K(g)(1) is amended by inserting ''(other than from petroleum based products)'' after ''coke or coke gas''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold after December 31, 2004.

SEC. 335. ELIMINATION OF AMORTIZATION OF GEOLOGICAL AND GEOPHYSICAL EXPENDITURES FOR MAJOR INTEGRATED OIL COMPANIES.

(a) IN GENERAL.—Section 167(h) is amended by adding at the end the following new paragraph:

''(5) NONAPPLICATION TO MAJOR INTEGRATED OIL COMPANIES.—This subsection shall not apply with respect to any expenses paid or incurred for any taxable year by any integrated oil company (as defined in section 291(b)(4)) which has an average daily worldwide production of crude oil of at least 500,000 barrels for such taxable year.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the amendment made by section 1329(a) of the Energy Policy Act of 2005.

Subtitle D—Tax Administration Provisions

SEC. 341. IMPOSITION OF WITHHOLDING ON CERTAIN PAYMENTS MADE BY GOVERNMENT ENTITIES.

(a) IN GENERAL.—Section 3402 is amended by adding at the end the following new subsection:

''(t) EXTENSION OF WITHHOLDING TO CERTAIN PAYMENTS MADE BY GOVERNMENT ENTITIES.—

''(1) GENERAL RULE.—The Government of the United States, every State, every political subdivision thereof, and every instrumentality of the foregoing (including multi-State agencies) making any payment for goods and services which is subject to withholding shall deduct and withhold form such payment a tax in an amount equal to 3 percent of such payment.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply to any payment—

''(A) except as provided in subparagraph (B), which is subject to withholding under any other provision of this chapter or chapter 3,

''(B) which is subject to withholding under section 3406 and from which amounts are being withheld under such section,

''(C) of interest,

''(D) for real property,

''(E) to any tax-exempt entity, foreign government, or other entity subject to the requirements of paragraph (1),

''(F) made pursuant to a classified or confidential contract (as defined in section 6050M(e)(3)), and

''(G) made by a political subdivision of a State (or any instrumentality thereof) which makes less than $100,000,000 of such payments annually.

''(3) COORDINATION WITH OTHER SECTIONS.—For purposes of sections 3403 and 3404 and for purposes of so much of subtitle F (except section 7205) as relates to this chapter, payments to any person of any payment for goods and services which is subject to withholding shall be treated as if such payments were wages paid by an employer to an employee.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to payments made after December 31, 2005.

SEC. 342. INCREASE IN CERTAIN CRIMINAL PENALTIES.

(a) IN GENERAL.—Section 7206 (relating to fraud and false statements) is amended—

(1) by striking ''Any person who—'' and inserting ''(a) IN GENERAL.—Any person who—'', and

(2) by adding at the end the following new subsection:

''(b) INCREASE IN MONETARY LIMITATION FOR UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.—If any portion of any underpayment (as defined in section 6664(a)) or overpayment (as defined in section 6401(a)) of tax required to be shown on a return is attributable to fraudulent action described in subsection (a), the applicable dollar amount under subsection (a) shall in no event be less than an amount equal to such portion. A rule similar to the rule under section 6663(b) shall apply for purposes of determining the portion so attributable.''.

(b) INCREASE IN PENALTIES.—

(1) ATTEMPT TO EVADE OR DEFEAT TAX.—Section 7201 is amended—

(A) by striking ''$100,000'' and inserting ''$500,000'',

(B) by striking ''$500,000'' and inserting ''$1,000,000'', and

(C) by striking ''5 years'' and inserting ''10 years''.

(2) WILLFUL FAILURE TO FILE RETURN, SUPPLY INFORMATION, OR PAY TAX.—Section 7203 is amended—

(A) in the first sentence—

(i) by striking ''Any person'' and inserting the following:

''(a) IN GENERAL.—Any person'', and

(ii) by striking ''$25,000'' and inserting ''$50,000'',

(B) in the third sentence, by striking ''section'' and inserting ''subsection'', and

(C) by adding at the end the following new subsection:

''(b) AGGRAVATED FAILURE TO FILE.—

''(1) IN GENERAL.—In the case of any failure described in paragraph (2), the first sentence of subsection (a) shall be applied by substituting—

''(A) 'felony' for 'misdemeanor',

''(B) '$500,000 ($1,000,000' for '$25,000 ($100,000', and

''(C) '10 years' for '1 year'.

''(2) FAILURE DESCRIBED.—A failure described in this paragraph is a failure to make a return described in subsection (a) for a period of 3 or more consecutive taxable years.''.

(3) FRAUD AND FALSE STATEMENTS.—Section 7206(a) (as redesignated by subsection (a)) is amended—

(A) by striking ''$100,000'' and inserting ''$500,000'',

(B) by striking ''$500,000'' and inserting ''$1,000,000'', and

(C) by striking ''3 years'' and inserting ''5 years''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to actions, and failures to act, occurring after the date of the enactment of this Act.

SEC. 343. REPEAL OF SUSPENSION OF INTEREST AND CERTAIN PENALTIES WHERE SECRETARY FAILS TO CONTACT TAXPAYER.

(a) IN GENERAL.—Section 6404 (relating to abatements) is amended by striking subsection (g) and by redesignating subsections (h) and (i) as subsections (g) and (h), respectively.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to returns of tax filed after December 31, 2005.

SEC. 344. INCREASE IN PENALTY FOR BAD CHECKS AND MONEY ORDERS.

(a) IN GENERAL.—Section 6657 (relating to bad checks) is amended—

(1) by striking ''$750'' and inserting ''$1,250'', and

(2) by striking ''$15'' and inserting ''$25''.

(b) EFFECTIVE DATE.—The amendments made by this section apply to checks or money orders received after the date of the enactment of this Act.

SEC. 345. FRIVOLOUS TAX SUBMISSIONS.

(a) CIVIL PENALTIES.—Section 6702 is amended to read as follows:

''SEC. 6702. FRIVOLOUS TAX SUBMISSIONS.

''(a) CIVIL PENALTY FOR FRIVOLOUS TAX RETURNS.—A person shall pay a penalty of $5,000 if—

''(1) such person files what purports to be a return of a tax imposed by this title but which—

''(A) does not contain information on which the substantial correctness of the self-assessment may be judged, or

''(B) contains information that on its face indicates that the self-assessment is substantially incorrect; and

''(2) the conduct referred to in paragraph (1)—

''(A) is based on a position which the Secretary has identified as frivolous under subsection (c), or

''(B) reflects a desire to delay or impede the administration of Federal tax laws.

''(b) CIVIL PENALTY FOR SPECIFIED FRIVOLOUS SUBMISSIONS.—

''(1) IMPOSITION OF PENALTY.—Except as provided in paragraph (3), any person who submits a specified frivolous submission shall pay a penalty of $5,000.

''(2) SPECIFIED FRIVOLOUS SUBMISSION.—For purposes of this section—

''(A) SPECIFIED FRIVOLOUS SUBMISSION.—The term 'specified frivolous submission' means a specified submission if any portion of such submission—

''(i) is based on a position which the Secretary has identified as frivolous under subsection (c), or

''(ii) reflects a desire to delay or impede the administration of Federal tax laws.

''(B) SPECIFIED SUBMISSION.—The term 'specified submission' means—

''(i) a request for a hearing under—

''(I) section 6320 (relating to notice and opportunity for hearing upon filing of notice of lien), or

''(II) section 6330 (relating to notice and opportunity for hearing before levy), and

''(ii) an application under—

''(I) section 6159 (relating to agreements for payment of tax liability in installments),

''(II) section 7122 (relating to compromises), or

''(III) section 7811 (relating to taxpayer assistance orders).

''(3) OPPORTUNITY TO WITHDRAW SUBMISSION.—If the Secretary provides a person with notice that a submission is a specified frivolous submission and such person withdraws such submission within 30 days after such notice, the penalty imposed under paragraph (1) shall not apply with respect to such submission.

''(c) LISTING OF FRIVOLOUS POSITIONS.—The Secretary shall prescribe (and periodically revise) a list of positions which the Secretary has identified as being frivolous for purposes of this subsection. The Secretary shall not include in such list any position that the Secretary determines meets the requirement of section 6662(d)(2)(B)(ii)(II).

''(d) REDUCTION OF PENALTY.—The Secretary may reduce the amount of any penalty imposed under this section if the Secretary determines that such reduction would promote compliance with and administration of the Federal tax laws.

''(e) PENALTIES IN ADDITION TO OTHER PENALTIES.—The penalties imposed by this section shall be in addition to any other penalty provided by law.''.

(b) TREATMENT OF FRIVOLOUS REQUESTS FOR HEARINGS BEFORE LEVY.—

(1) FRIVOLOUS REQUESTS DISREGARDED.—Section 6330 (relating to notice and opportunity for hearing before levy) is amended by adding at the end the following new subsection:

''(g) FRIVOLOUS REQUESTS FOR HEARING, ETC.—Notwithstanding any other provision of this section, if the Secretary determines that any portion of a request for a hearing under this section or section 6320 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.''.

(2) PRECLUSION FROM RAISING FRIVOLOUS ISSUES AT HEARING.—Section 6330(c)(4) is amended—

(A) by striking ''(A)'' and inserting ''(A)(i)'';

(B) by striking ''(B)'' and inserting ''(ii)'';

(C) by striking the period at the end of the first sentence and inserting ''; or''; and

(D) by inserting after subparagraph (A)(ii) (as so redesignated) the following:

''(B) the issue meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A).''.

(3) STATEMENT OF GROUNDS.—Section 6330(b)(1) is amended by striking ''under subsection (a)(3)(B)'' and inserting ''in writing under subsection (a)(3)(B) and states the grounds for the requested hearing''.

(c) TREATMENT OF FRIVOLOUS REQUESTS FOR HEARINGS UPON FILING OF NOTICE OF LIEN.—Section 6320 is amended—

(1) in subsection (b)(1), by striking ''under subsection (a)(3)(B)'' and inserting ''in writing under subsection (a)(3)(B) and states the grounds for the requested hearing'', and

(2) in subsection (c), by striking ''and (e)'' and inserting ''(e), and (g)''.

(d) TREATMENT OF FRIVOLOUS APPLICATIONS FOR OFFERS-IN-COMPROMISE AND INSTALLMENT AGREEMENTS.—Section 7122 is amended by adding at the end the following new subsection:

''(e) FRIVOLOUS SUBMISSIONS, ETC.—Notwithstanding any other provision of this section, if the Secretary determines that any portion of an application for an offer-in-compromise or installment agreement submitted under this section or section 6159 meets the requirement of clause (i) or (ii) of section 6702(b)(2)(A), then the Secretary may treat such portion as if it were never submitted and such portion shall not be subject to any further administrative or judicial review.''.

(e) CLERICAL AMENDMENT.—The table of sections for part I of subchapter B of chapter 68 is amended by striking the item relating to section 6702 and inserting the following new item:

''Sec. 6702. Frivolous tax submissions.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to submissions made and issues raised after the date on which the Secretary first prescribes a list under section 6702(c) of the Internal Revenue Code of 1986, as amended by subsection (a).

SEC. 346. PARTIAL PAYMENTS REQUIRED WITH SUBMISSION OF OFFERS-IN-COMPROMISE.

(a) IN GENERAL.—Section 7122 (relating to compromises), as amended by this Act, is amended by redesignating subsections (c), (d), and (e) as subsections (d), (e), and (f), respectively, and by inserting after subsection (b) the following new subsection:

''(c) RULES FOR SUBMISSION OF OFFERS-IN-COMPROMISE.—

''(1) PARTIAL PAYMENT REQUIRED WITH SUBMISSION.—

''(A) LUMP-SUM OFFERS.—

''(i) IN GENERAL.—The submission of any lump-sum offer-in-compromise shall be accompanied by the payment of 20 percent of amount of such offer.

''(ii) LUMP-SUM OFFER-IN-COMPROMISE.—For purposes of this section, the term 'lump-sum offer-in-compromise' means any offer of payments made in 5 or fewer installments.

''(B) PERIODIC PAYMENT OFFERS.—The submission of any periodic payment offer-in-compromise shall be accompanied by the payment of the amount of the first proposed installment and each proposed installment due during the period such offer is being evaluated for acceptance and has not been rejected by the Secretary. Any failure to make a payment required under the preceding sentence shall be deemed a withdrawal of the offer-in-compromise.

''(2) RULES OF APPLICATION.—

''(A) USE OF PAYMENT.—The application of any payment made under this subsection to the assessed tax or other amounts imposed under this title with respect to such tax may be specified by the taxpayer.

''(B) NO USER FEE IMPOSED.—Any user fee which would otherwise be imposed under this section shall not be imposed on any offer-in-compromise accompanied by a payment required under this subsection.

''(C) WAIVER AUTHORITY.—The Secretary may issue regulations waiving any payment required under paragraph (1) in a manner consistent with the practices established in accordance with the requirements under subsection (d)(3).''.

(b) ADDITIONAL RULES RELATING TO TREATMENT OF OFFERS.—

(1) UNPROCESSABLE OFFER IF PAYMENT REQUIREMENTS ARE NOT MET.—Paragraph (3) of section 7122(d) (relating to standards for evaluation of offers), as redesignated by subsection (a), is amended by striking ''; and'' at the end of subparagraph (A) and inserting a comma, by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following new subparagraph:

''(C) any offer-in-compromise which does not meet the requirements of subsection (c) shall be returned to the taxpayer as unprocessable.''.

(2) DEEMED ACCEPTANCE OF OFFER NOT REJECTED WITHIN CERTAIN PERIOD.—Section 7122, as amended by subsection (a), is amended by adding at the end the following new subsection:

''(g) DEEMED ACCEPTANCE OF OFFER NOT REJECTED WITHIN CERTAIN PERIOD.—Any offer-in-compromise submitted under this section shall be deemed to be accepted by the Secretary if such offer is not rejected by the Secretary before the date which is 24 months after the date of the submission of such offer (12 months for offers-in-compromise submitted after the date which is 5 years after the date of the enactment of this subsection). For purposes of the preceding sentence, any period during which any tax liability which is the subject of such offer-in-compromise is in dispute in any judicial proceeding shall not be taken in to account in determining the expiration of the 24-month period (or 12-month period, if applicable).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to offers-in-compromise submitted on and after the date which is 60 days after the date of the enactment of this Act.

SEC. 347. WAIVER OF USER FEE FOR INSTALLMENT AGREEMENTS USING AUTOMATED WITHDRAWALS.

(a) IN GENERAL.—Section 6159 (relating to agreements for payment of tax liability in installments) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following:

''(e) WAIVER OF USER FEES FOR INSTALLMENT AGREEMENTS USING AUTOMATED WITHDRAWALS.—In the case of a taxpayer who enters into an installment agreement in which automated installment payments are agreed to, the Secretary shall waive the fee (if any) for entering into the installment agreement.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to agreements entered into on or after the date which is 180 days after the date of the enactment of this Act.

SEC. 348. TERMINATION OF INSTALLMENT AGREEMENTS.

(a) IN GENERAL.—Section 6159(b)(4) (relating to failure to pay an installment or any other tax liability when due or to provide requested financial information) is amended by striking ''or'' at the end of subparagraph (B), by redesignating subparagraph (C) as subparagraph (E), and by inserting after subparagraph (B) the following:

''(C) to make a Federal tax deposit under section 6302 at the time such deposit is required to be made,

''(D) to file a return of tax imposed under this title by its due date (including extensions), or''.

(b) CONFORMING AMENDMENT.—The heading for section 6159(b)(4) is amended by striking ''FAILURE TO PAY AN INSTALLMENT OR ANY OTHER TAX LIABILITY WHEN DUE OR TO PROVIDE REQUESTED FINANCIAL INFORMATION'' and inserting ''FAILURE TO MAKE PAYMENTS OR DEPOSITS OR FILE RETURNS WHEN DUE OR TO PROVIDE REQUESTED FINANCIAL INFORMATION''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to failures occurring on or after the date of the enactment of this Act.

Subtitle E—Additional Provisions

SEC. 351. MODIFICATION OF INDIVIDUAL ESTIMATED TAX SAFE HARBOR.

(a) IN GENERAL.—The table contained in section 6654(d)(1)(C) is amended by striking ''2002 or thereafter'' and inserting ''2002, 2003, 2004, or 2005'' and by adding at the end the following new items:

''2006 111
2007 or thereafter ..... 110''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to any installment payment for taxable years beginning after December 31, 2005.

SEC. 352. LOAN AND REDEMPTION REQUIREMENTS ON POOLED FINANCING REQUIREMENTS.

(a) STRENGTHENED REASONABLE EXPECTATION REQUIREMENT.—Subparagraph (A) of section 149(f)(2) (relating to reasonable expectation requirement) is amended to read as follows:

''(A) IN GENERAL.—The requirements of this paragraph are met with respect to an issue if the issuer reasonably expects that—

''(i) as of the close of the 1-year period beginning on the date of issuance of the issue, at least 50 percent of the net proceeds of the issue (as of the close of such period) will have been used directly or indirectly to make or finance loans to ultimate borrowers, and

''(ii) as of the close of the 3-year period beginning on such date of issuance, at least 95 percent of the net proceeds of the issue (as of the close of such period) will have been so used.''.

(b) WRITTEN LOAN COMMITMENT AND REDEMPTION REQUIREMENTS.—Section 149(f) (relating to treatment of certain pooled financing bonds) is amended by redesignating paragraphs (4) and (5) as paragraphs (6) and (7), respectively, and by inserting after paragraph (3) the following new paragraphs:

''(4) WRITTEN LOAN COMMITMENT REQUIREMENT.—

''(A) IN GENERAL.—The requirement of this paragraph is met with respect to an issue if the issuer receives prior to issuance written loan commitments identifying the ultimate potential borrowers of at least 50 percent of the net proceeds of such issue.

''(B) EXCEPTION.—Subparagraph (A) shall not apply with respect to any issuer which is a State (or an integral part of a State) issuing pooled financing bonds to make or finance loans to subordinate governmental units of such State or to State-created entities providing financing for water-infrastructure projects through the federally-sponsored State revolving fund program.

''(5) REDEMPTION REQUIREMENT.—The requirement of this paragraph is met if to the extent that less than the percentage of the proceeds of an issue required to be used under clause (i) or (ii) of paragraph (2)(A) is used by the close of the period identified in such clause, the issuer uses an amount of proceeds equal to the excess of—

''(A) the amount required to be used under such clause, over

''(B) the amount actually used by the close of such period,

to redeem outstanding bonds within 90 days after the end of such period.''.

(c) ELIMINATION OF DISREGARD OF POOLED BONDS IN DETERMINING ELIGIBILITY FOR SMALL ISSUER EXCEPTION TO ARBITRAGE REBATE.—Section 148(f)(4)(D)(ii) (relating to aggregation of issuers) is amended by striking subclause (II) and by redesignating subclauses (III) and (IV) as subclauses (II) and (III), respectively.

(d) CONFORMING AMENDMENTS.—

(1) Section 149(f)(1) is amended by striking ''paragraphs (2) and (3)'' and inserting ''paragraphs (2), (3), (4), and (5)''.

(2) Section 149(f)(7)(B), as redesignated by subsection (b), is amended by striking ''paragraph (4)(A)'' and inserting ''paragraph (6)(A)''.

(3) Section 54(l)(2) is amended by striking ''section 149(f)(4)(A)'' and inserting ''section 149(f)(6)(A)''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act.

SEC. 353. REPORTING OF INTEREST ON TAX-EXEMPT BONDS.

(a) IN GENERAL.—Section 6049(b)(2) (relating to exceptions) is amended by striking subparagraph (B) and by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

(b) CONFORMING AMENDMENT.—Section 6049(b)(2)(C), as redesignated by subsection (a), is amended by striking ''subparagraph (C)'' and inserting ''subparagraph (B)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to interest earned after December 31, 2005.

SA 2603. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

SEC. ____. DEFINITION OF CONVENTION OR ASSOCIATION OF CHURCHES.

(a) IN GENERAL.—Section 7701 (relating to definitions) is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

''(o) CONVENTION OR ASSOCIATION OF CHURCHES.—For purposes of this title, any organization which is otherwise a convention or association of churches shall not fail to so qualify merely because the membership of such organization includes individuals as well as churches or because individuals have voting rights in such organization.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years ending after December 31, 2005.

SA 2604. Mrs. CLINTON (for herself and Mr. OBAMA) submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

SEC. ____. HOME LEAD HAZARD REDUCTION ACTIVITY TAX CREDIT.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to foreign tax credit, etc.) is amended by adding at the end the following new section:

''SEC. 30D. HOME LEAD HAZARD REDUCTION ACTIVITY.

''(a) ALLOWANCE OF CREDIT.—There shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to 50 percent of the lead hazard reduction activity cost paid or incurred by the taxpayer during the taxable year for each eligible dwelling unit.

''(b) LIMITATION.—The amount of the credit allowed under subsection (a) for any eligible dwelling unit for any taxable year shall not exceed—

''(1) either—

''(A) $3,000 in the case of lead hazard reduction activity cost including lead abatement measures described in clauses (i), (ii), (iv) and (v) of subsection (c)(1)(A), or

''(B) $1,000 in the case of lead hazard reduction activity cost including interim lead control measures described in clauses (i), (iii), (iv), and (v) of subsection (c)(1)(A), reduced by

''(2) the aggregate lead hazard reduction activity cost taken into account under subsection (a) with respect to such unit for all preceding taxable years.

''(c) DEFINITIONS AND SPECIAL RULES.—For purposes of this section:

''(1) LEAD HAZARD REDUCTION ACTIVITY COST.—

''(A) IN GENERAL.—The term 'lead hazard reduction activity cost' means, with respect to any eligible dwelling unit—

''(i) the cost for a certified risk assessor to conduct an assessment to determine the presence of a lead-based paint hazard,

''(ii) the cost for performing lead abatement measures by a certified lead abatement supervisor, including the removal of paint and dust, the permanent enclosure or encapsulation of lead-based paint, the replacement of painted surfaces, windows, or fixtures, or the removal or permanent covering of soil when lead-based paint hazards are present in such paint, dust, or soil,

''(iii) the cost for performing interim lead control measures to reduce exposure or likely exposure to lead-based paint hazards, including specialized cleaning, repairs, maintenance, painting, temporary containment, ongoing monitoring of lead-based paint hazards, and the establishment and operation of management and resident education programs, but only if such measures are evaluated and completed by a certified lead abatement supervisor using accepted methods, are conducted by a qualified contractor, and have an expected useful life of more than 10 years,

''(iv) the cost for a certified lead abatement supervisor, those working under the supervision of such supervisor, or a qualified contractor to perform all preparation, cleanup, disposal, and clearance testing activities associated with the lead abatement measures or interim lead control measures, and

''(v) costs incurred by or on behalf of any occupant of such dwelling unit for any relocation which is necessary to achieve occupant protection (as defined under section 35.1345 of title 24, Code of Federal Regulations).

''(B) LIMITATION.—The term 'lead hazard reduction activity cost' does not include any cost to the extent such cost is funded by any grant, contract, or otherwise by another person (or any governmental agency).

''(2) ELIGIBLE DWELLING UNIT.—

''(A) IN GENERAL.—The term 'eligible dwelling unit' means, with respect to any taxable year, any dwelling unit—

''(i) placed in service before 1960,

''(ii) located in the United States,

''(iii) in which resides, for a total period of not less than 50 percent of the taxable year, at least 1 child who has not attained the age of 6 years or 1 woman of child-bearing age, and

''(iv) each of the residents of which during such taxable year has an adjusted gross income of less than 185 percent of the poverty line (as determined for such taxable year in accordance with criteria established by the Director of the Office of Management and Budget).

''(B) DWELLING UNIT.—The term 'dwelling unit' has the meaning given such term by section 280A(f)(1).

''(3) LEAD-BASED PAINT HAZARD.—The term 'lead-based paint hazard' has the meaning given such term by section 745.61 of title 40, Code of Federal Regulations.

''(4) CERTIFIED LEAD ABATEMENT SUPERVISOR.—The term 'certified lead abatement supervisor' means an individual certified by the Environmental Protection Agency pursuant to section 745.226 of title 40, Code of Federal Regulations, or an appropriate State agency pursuant to section 745.325 of title 40, Code of Federal Regulations.

''(5) CERTIFIED INSPECTOR.—The term 'certified inspector' means an inspector certified by the Environmental Protection Agency pursuant to section 745.226 of title 40, Code of Federal Regulations, or an appropriate State agency pursuant to section 745.325 of title 40, Code of Federal Regulations.

''(6) CERTIFIED RISK ASSESSOR.—The term 'certified risk assessor' means a risk assessor certified by the Environmental Protection Agency pursuant to section 745.226 of title 40, Code of Federal Regulations, or an appropriate State agency pursuant to section 745.325 of title 40, Code of Federal Regulations.

''(7) QUALIFIED CONTRACTOR.—The term 'qualified contractor' means any contractor who has successfully completed a training course on lead safe work practices which has been approved by the Department of Housing and Urban Development and the Environmental Protection Agency.

''(8) DOCUMENTATION REQUIRED FOR CREDIT ALLOWANCE.—No credit shall be allowed under subsection (a) with respect to any eligible dwelling unit for any taxable year unless—

''(A) after lead hazard reduction activity is complete, a certified inspector or certified

risk assessor provides written documentation to the taxpayer that includes—

''(i) evidence that—

''(I) the eligible dwelling unit passes the clearance examinations required by the Department of Housing and Urban Development under part 35 of title 40, Code of Federal Regulations,

''(II) the eligible dwelling unit does not contain lead dust hazards (as defined by section 745.227(e)(8)(viii) of such title 40), or

''(III) the eligible dwelling unit meets lead hazard evaluation criteria established under an authorized State or local program, and

''(ii) documentation showing that the lead hazard reduction activity meets the requirements of this section, and

''(B) the taxpayer files with the appropriate State agency and attaches to the tax return for the taxable year—

''(i) the documentation described in subparagraph (A),

''(ii) documentation of the lead hazard reduction activity costs paid or incurred during the taxable year with respect to the eligible dwelling unit, and

''(iii) a statement certifying that the dwelling unit qualifies as an eligible dwelling unit for such taxable year.

''(9) BASIS REDUCTION.—The basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit (determined without regard to subsection (d)).

''(10) NO DOUBLE BENEFIT.—Any deduction allowable for costs taken into account in computing the amount of the credit for lead-based paint abatement shall be reduced by the amount of such credit attributable to such costs.

''(d) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for the taxable year shall not exceed the excess of—

''(1) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(2) the sum of the credits allowable under subpart A and sections 27, 29, 30, 30A, 30B, and 30C for the taxable year.

''(e) CARRYFORWARD ALLOWED.—

''(1) IN GENERAL.—If the credit amount allowable under subsection (a) for a taxable year exceeds the amount of the limitation under subsection (d) for such taxable year (referred to as the 'unused credit year' in this subsection), such excess shall be allowed as a credit carryforward for each of the 20 taxable years following the unused credit year.

''(2) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryforward under paragraph (1).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1016(a) of the Internal Revenue Code of 1986 is amended by striking ''and'' in paragraph (36), by striking the period and inserting '', and'' in paragraph (37), and by inserting at the end the following new paragraph:

''(38) in the case of an eligible dwelling unit with respect to which a credit for any lead hazard reduction activity cost was allowed under section 30D, to the extent provided in section 30D(c)(9).''.

(2) The table of sections for subpart B of part IV of subchapter A of chapter 1 of such Code is amended by inserting after the item relating to section 30C the following new item:

''Sec. 30D. Home lead hazard reduction activity.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to lead hazard reduction activity costs incurred after December 31, 2005, in taxable years ending after that date.

SEC. ___. MODIFICATION OF EXCLUSION FOR CITIZENS LIVING ABROAD.

(a) INFLATION ADJUSTMENT OF FOREIGN EARNED INCOME LIMITATION.—Clause (ii) of section 911(b)(2)(D) (relating to inflation adjustment) is amended—

(1) by striking ''2007'' and inserting ''2005'', and

(2) by striking ''2006'' in subclause (II) and inserting ''2004''.

(b) MODIFICATION OF HOUSING COST AMOUNT.—

(1) MINIMUM AMOUNT.—Clause (i) of section 911(c)(1)(B) is amended to read as follows:

''(i) 16 percent of the amount (computed on a daily basis) in effect under subsection (b)(2)(D) for the calendar year in which such taxable year begins, multiplied by''.

(2) MAXIMUM AMOUNT OF EXCLUSION.—

(A) IN GENERAL.—Subparagraph (A) of section 911(c)(1) is amended by inserting ''to the extent such expenses do not exceed the amount determined under paragraph (2)'' after ''the taxable year''.

(B) LIMITATION.—Subsection (c) of section 911 is amended by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

''(2) LIMITATION.—The amount determined under this paragraph is an amount equal to the product of—

''(A) 30 percent of the amount (computed on a daily basis) in effect under subsection (b)(2)(D) for the calendar year in which the taxable year of the individual begins, multiplied by

''(B) the number of days of such taxable year within the applicable period described in subparagraph (A) or (B) of subsection (d)(1).''.

(C) CONFORMING AMENDMENTS.—

(i) Section 911(d)(4) is amended by striking ''and (c)(1)(B)(ii)'' and inserting '', (c)(1)(B)(ii), and (c)(2)(B)''

(ii) Section 911(d)(7) is amended by striking ''subsection (c)(3)'' and inserting ''subsection (c)(4)''.

(c) RATES OF TAX APPLICABLE TO NONEXCLUDED INCOME.—Section 911 (relating to exclusion of certain income of citizens and residents of the United States living abroad) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) DETERMINATION OF TAX LIABILITY ON NONEXCLUDED AMOUNTS.—If any amount is excluded from the gross income of a taxpayer under subsection (a) for any taxable year, then, notwithstanding section 1 or 55—

''(1) the tax imposed by section 1 on the taxpayer for such taxable year shall be equal to the excess (if any) of—

''(A) the tax which would be imposed by section 1 for the taxable year if the taxpayer's taxable income were equal to the sum of—

''(i) the taxpayer's taxable income for the taxable year (determined without regard to this subsection), plus

''(ii) the amount excluded under subsection (a) for the taxable year, over

''(B) the tax which would be imposed by section 1 for the taxable year if the taxpayer's taxable income were equal to the amount excluded under subsection (a) for the taxable year, and

''(2) the tax imposed by section 55 for such taxable year shall be equal to the excess (if any) of—

''(A) the amount which would be the tentative minimum tax under section 55 for the taxable year if the taxpayer's alternative minimum taxable income were equal to the sum of—

''(i) the taxpayer's alternative minimum taxable income for the taxable year (determined without regard to this subsection), plus

''(ii) the amount excluded under subsection (a) for the taxable year, over

''(B) the sum of—

''(i) the amount which would be the tentative minimum tax under section 55 for the taxable year if the taxpayer's alternative minimum taxable income were equal to the amount excluded under subsection (a) for the taxable year, plus

''(ii) the amount which would be the regular tax for the taxable year if the tax imposed by section 1 were the tax computed under paragraph (1).

For purposes of this subsection, the amount excluded under subsection (a) shall be reduced by the aggregate amount of any deductions or exclusions disallowed under subsection (d)(6) with respect to such excluded amount.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SA 2605. Mr. OBAMA (for himself, Mr. COBURN, Mr. LAUTENBERG, Ms. SNOWE, Mr. JOHNSON, and Mr. ENSIGN) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE ON USE OF NO-BID CONTRACTING BY FEDERAL EMERGENCY MANAGEMENT AGENCY.

(a) FINDINGS.—The Senate finds that—

(1) on September 8, 2005, the Federal Emergency Management Agency announced that it had awarded 4 contracts for emergency housing relief following Hurricane Katrina to The Shaw Group of Baton Rouge, Louisiana, Fluor Corporation of Aliso Viejo, California, Bechtel National of San Francisco, California, and CH2M Hill of Denver, Colorado;

(2) these contracts were awarded with no competition from other capable firms, and up to $100,000,000 in taxpayer funds were authorized for each of these contracts;

(3) in the midst of concerns about abusive and irresponsible spending of taxpayer funds, the Federal Emergency Management Agency pledged to re-bid these noncompetitive contracts, with Acting Under Secretary of Emergency Preparedness and Response, R. David Paulison, stating before the Committee on Homeland Security and Government Affairs of the Senate that ''[a]ll of these no-bid contracts, we are going to go back and re-bid'';

(4) the Federal Emergency Management Agency has yet to reopen these 4 contracts to competitive bidding, and declared on November 11, 2005, that these contracts would not be reopened for bidding until February 2006;

(5) by February 2006, the majority of the contracts will have been completed and the majority of taxpayer funds will have been spent;

(6) large and politically-connected firms continue to benefit from no-bid and limited-competition contracts, and contracts are not being awarded to capable, local companies;

(7) according to an analysis in the Washington Post, companies outside the States most affected by Hurricane Katrina have received more than 90 percent of the Federal contracts for recovery and reconstruction;

(8) the monitoring of Federal contracting practices remains difficult, with a report by the San Jose Mercury News stating ''The

database of contracts is incomplete. Information released by Federal agencies is spotty and sporadic. And disclosure of many no-bid contracts isn't required by law''; and

(9)(A) there is currently no Chief Financial Officer charged with monitoring the flow of all funds to the affected areas; and

(B) the task of financial management is spread across disparate Federal departments and agencies with inadequate oversight of taxpayer funds.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Federal Emergency Management Agency should—

(1) immediately rebid noncompetitive contracts entered into following Hurricane Katrina, consistent with the commitment of the Agency made on October 6, 2005, before millions of taxpayer dollars are wasted on irresponsible and inefficient spending;

(2)(A) immediately implement the planned competitive contracting strategy of the Agency for recovery work in all current and future reconstruction efforts; and

(B) in carrying out that strategy, should prioritize local and small disadvantaged businesses in the contracting and subcontracting process; and

(3) immediately after the awarding of a contract, publicly disclose the amount and competitive or noncompetitive nature of the contract.

SA 2606. Mr. KERRY (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

On page 235, between lines 13 and 14, insert the following:

SEC. _____. EXTENSION AND INCREASE IN MINIMUM TAX RELIEF TO INDIVIDUALS.

(a) IN GENERAL.—Section 55(d)(1) is amended—

(1) by striking ''$58,000'' and all that follows through ''2005'' in subparagraph (A) and inserting ''$62,550 in the case of taxable years beginning in 2006'', and

(2) by striking ''$40,250'' and all that follows through ''2005'' in subparagraph (B) and inserting ''$42,500 in the case of taxable years beginning in 2006''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. _____. MODIFICATION OF EXCLUSION FOR CITIZENS LIVING ABROAD.

(a) INFLATION ADJUSTMENT OF FOREIGN EARNED INCOME LIMITATION.—Clause (ii) of section 911(b)(2)(D) (relating to inflation adjustment) is amended—

(1) by striking ''2007'' and inserting ''2005'', and

(2) by striking ''2006'' in subclause (II) and inserting ''2004''.

(b) MODIFICATION OF HOUSING COST AMOUNT.—

(1) MINIMUM AMOUNT.—Clause (i) of section 911(c)(1)(B) is amended to read as follows:

''(i) 16 percent of the amount (computed on a daily basis) in effect under subsection (b)(2)(D) for the calendar year in which such taxable year begins, multiplied by''.

(2) MAXIMUM AMOUNT OF EXCLUSION.—

(A) IN GENERAL.—Subparagraph (A) of section 911(c)(1) is amended by inserting ''to the extent such expenses do not exceed the amount determined under paragraph (2)'' after ''the taxable year''.

(B) LIMITATION.—Subsection (c) of section 911 is amended by redesignating paragraphs (2) and (3) as paragraphs (3) and (4), respectively, and by inserting after paragraph (1) the following new paragraph:

''(2) LIMITATION.—The amount determined under this paragraph is an amount equal to the product of—

''(A) 30 percent of the amount (computed on a daily basis) in effect under subsection (b)(2)(D) for the calendar year in which the taxable year of the individual begins, multiplied by

''(B) the number of days of such taxable year within the applicable period described in subparagraph (A) or (B) of subsection (d)(1).''.

(C) CONFORMING AMENDMENTS.—

(i) Section 911(d)(4) is amended by striking ''and (c)(1)(B)(ii)'' and inserting '', (c)(1)(B)(ii), and (c)(2)(B)''

(ii) Section 911(d)(7) is amended by striking ''subsection (c)(3)'' and inserting ''subsection (c)(4)''.

(c) RATES OF TAX APPLICABLE TO NONEXCLUDED INCOME.—Section 911 (relating to exclusion of certain income of citizens and residents of the United States living abroad) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) DETERMINATION OF TAX LIABILITY ON NONEXCLUDED AMOUNTS.—If any amount is excluded from the gross income of a taxpayer under subsection (a) for any taxable year, then, notwithstanding section 1 or 55—

''(1) the tax imposed by section 1 on the taxpayer for such taxable year shall be equal to the excess (if any) of—

''(A) the tax which would be imposed by section 1 for the taxable year if the taxpayer's taxable income were equal to the sum of—

''(i) the taxpayer's taxable income for the taxable year (determined without regard to this subsection), plus

''(ii) the amount excluded under subsection (a) for the taxable year, over

''(B) the tax which would be imposed by section 1 for the taxable year if the taxpayer's taxable income were equal to the amount excluded under subsection (a) for the taxable year, and

''(2) the tax imposed by section 55 for such taxable year shall be equal to the excess (if any) of—

''(A) the amount which would be the tentative minimum tax under section 55 for the taxable year if the taxpayer's alternative minimum taxable income were equal to the sum of—

''(i) the taxpayer's alternative minimum taxable income for the taxable year (determined without regard to this subsection), plus

''(ii) the amount excluded under subsection (a) for the taxable year, over

''(B) the sum of—

''(i) the amount which would be the tentative minimum tax under section 55 for the taxable year if the taxpayer's alternative minimum taxable income were equal to the amount excluded under subsection (a) for the taxable year, plus

''(ii) the amount which would be the regular tax for the taxable year if the tax imposed by section 1 were the tax computed under paragraph (1).

For purposes of this subsection, the amount excluded under subsection (a) shall be reduced by the aggregate amount of any deductions or exclusions disallowed under subsection (d)(6) with respect to such excluded amount.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. _____. MODIFICATION OF INDIVIDUAL ESTIMATED TAX SAFE HARBOR.

(a) IN GENERAL.—The table contained in section 6654(d)(1)(C) is amended by striking ''2002 or thereafter'' and inserting ''2002, 2003, 2004, or 2005'' and by adding at the end the following new items:

''2006	121.1
2007 or thereafter	110''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to any installment payment for taxable years beginning after December 31, 2005.

SA 2607. Mr. SUNUNU submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. REPEAL OF STATE AND LOCAL TAX EXEMPTION FOR FANNIE MAE AND FREDDIE MAC.

(a) FANNIE MAE.—Section 309(c) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(c)) is amended to read as follows:

''(c) [Repealed.]''.

(b) FREDDIE MAC.—Section 303(e) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(e)) is amended to read as follows:

''(e) [Repealed.]''.

SA 2608. Ms. MURKOWSKI (for herself, Mr. JOHNSON, and Mr. BINGAMAN) submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

On page 235, between lines 13 and 14, insert the following:

SEC. ____. CHARITABLE CONTRIBUTIONS OF FOOD INVENTORY TO INDIAN TRIBES.

(a) IN GENERAL.—Section 170(e)(3) of the Internal Revenue Code of 1986 (relating to special rule for contributions of inventory and other property) is amended by redesignating subparagraph (D) as subparagraph (E) and by inserting after subparagraph (C) the following new subparagraph:

''(D) SPECIAL RULE FOR FOOD CONTRIBUTIONS TO INDIAN TRIBES.—

''(i) IN GENERAL.—For purposes of this paragraph, in the case of a charitable contribution of food which is apparently wholesome food (as defined in subparagraph (C)(iii)), an Indian tribe (as defined in section 7871(c)(3)(E)(ii)) shall be treated as an organization eligible to be a donee under subparagraph (A).

''(ii) USE OF PROPERTY.—For purposes of subparagraph (A)(i), if the use of the property donated is related to the exercise of an essential governmental function of the Indian tribal government (within the meaning of section 7871), such use shall be treated as related to the purpose or function constituting the basis for the organization's exemption.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SA 2609. Mrs. FEINSTEIN (for herself, Mr. SUNUNU, Mr. GREGG, Mr. WYDEN, Ms. CANTWELL, Mr. FEINGOLD, Mr. BURR, Mr. MCCAIN, Mr. KERRY, Ms. COLLINS, and Mrs. CLINTON) proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to

section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV, add the following:

SEC. ___. REPEAL OF CERTAIN TAX BENEFITS RELATING TO OIL AND GAS WELLS INTANGIBLE DRILLING AND DEVELOPMENT COSTS.

(a) IN GENERAL.—Section 263(c) (relating to intangible drilling and development costs) is amended by adding at the end the following new sentence: ''This subsection shall not apply with respect to wells (other than wells drilled for any geothermal deposit (as so defined)) of any integrated oil company (as defined in section 291(b)(4)) which has an average daily worldwide production of crude oil of at least 500,000 barrels for the taxable year in any taxable year beginning after December 31, 2005.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2005.

SA 2610. Mrs. FEINSTEIN (for herself and Mr. KERRY) proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of the bill, insert the following:

SEC. ___. REINSTATEMENT FOR MILLIONAIRES OF 39.6 PERCENT INCOME TAX RATE, PRE-MAY 2003 CAPITAL GAIN AND DIVIDEND RATES, AND DEDUCTION LIMITATIONS UNTIL BUDGET DEFICIT ELIMINATED.

(a) REPEAL OF TOP INCOME TAX RATE REDUCTIONS.—

(1) IN GENERAL.—Section 1(i) (relating to rate reductions) is amended by redesignating paragraph (3) as paragraph (4) and by inserting after paragraph (2) the following new paragraph:

''(3) EXCEPTION FOR TAXPAYERS WITH TAXABLE INCOME OF $1,000,000, OR MORE.—Notwithstanding paragraph (2), in the case of taxable years beginning in a calender year after 2005, the last item in the fourth column of the table under paragraph (2) shall be applied by substituting '39.6%' for '35.0%' with respect to taxable income in excess of $1,000,000 ($500,000 in the case of taxpayers to whom subsection (d) applies).''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to taxable years beginning after December 31, 2005.

(3) APPLICATION OF EGTRRA SUNSET.—The amendment made by this subsection shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 to the same extent and in the same manner as the provision of such Act to which such amendment relates.

(b) RESTORATION OF PRE-MAY 2003 TAX RATES ON CAPITAL GAINS AND DIVIDENDS FOR INDIVIDUALS IN TOP RATE BRACKET.—

(1) IN GENERAL.—Section 1(h) is amended by adding at the end the following new paragraph:

''(12) INCREASED RATES FOR INDIVIDUALS IN THE TOP RATE BRACKET.—

''(A) DIVIDENDS.—In no event shall the qualified dividend income of a taxpayer for any taxable year exceed the excess (if any) of—

''(i) the minimum dollar amount to which the 39.6 rate applies under subsection (i) for the taxable year, over

''(ii) taxable income, reduced by adjusted net capital gain (determined without regard to this paragraph).

''(B) CAPITAL GAINS.—If a taxpayer has a net capital gain for any taxable year, the taxpayer's tax shall be increased by an amount equal to 5 percent of the lesser of—

''(i) the taxpayer's adjusted net capital gain, determined after application of subparagraph (A) and by only taking into account gain or loss properly allocable to the portion of the taxable year after December 31, 2005, or

''(ii) taxable income in excess of the minimum dollar amount to which the 39.6 rate applies under subsection (i) for the taxable year.''

(2) APPLICATION TO MINIMUM TAX.—Section 55(b)(3) is amended by adding at the end the following new sentence: ''The rules of section 1(h)(12) shall apply for purposes of this paragraph.''

(3) EFFECTIVE DATES.—

(A) CAPITAL GAINS.—Section 1(h)(12)(B) of the Internal Revenue Code of 1986 (as added by paragraph (1)) shall apply to taxable years beginning after December 31, 2005.

(B) DIVIDEND RATES.—Section 1(h)(12)(A) of such Code (as added by paragraph (1)) shall apply to dividends received after December 31, 2005.

(4) APPLICATION OF JGTRRA SUNSET.—The amendment made by this subsection shall be subject to section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 to the same extent and in the same manner as the provision of such Act to which such amendment relates.

(c) REPEAL OF THE SCHEDULED PHASE OUT AND TERMINATION OF THE LIMITATIONS ON PERSONAL EXEMPTIONS AND ITEMIZED DEDUCTIONS.—

(1) REPEAL.—

(A) PERSONAL EXEMPTIONS.—Section 1(d)(3) is amended by adding at the end the following:

''(6) REDUCTION OF PHASE OUT AND TERMINATION NOT TO APPLY.—Subparagraphs (E) and (F) shall not apply to a taxpayer whose adjusted gross income for the taxable year exceeds $1,000,000 ($500,000 in the case of a married individual filing a separate return).''

(B) ITEMIZED DEDUCTIONS.—Section 68 is amended by adding at the end the following:

''(h) REDUCTION OF PHASE OUT AND TERMINATION NOT TO APPLY.—Subsections (f) and (g) shall not apply to a taxpayer whose adjusted gross income for the taxable year exceeds $1,000,000 ($500,000 in the case of a married individual filing a separate return).''

(2) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

(3) APPLICATION OF EGTRRA SUNSET.—The amendments made by this section shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 to the same extent and in the same manner as the provision of such Act to which such amendment relates.

(d) SUNSET OF AMENDMENTS IF BUDGET DEFICIT ELIMINATED.—

(1) IN GENERAL.—The amendments made by this section shall not apply to taxable years beginning after the first calendar year for which the certification described in paragraph (2)(B) is made.

(2) ESTIMATES AND CERTIFICATION.—

(A) IN GENERAL.—Not later than October 15 of each calendar year beginning after 2005, the Director of the Office of Management and Budget, in consultation with the Secretary of the Treasury, shall estimate—

(i) the Federal budget deficit for the fiscal year ending in the calendar year, and

(ii) the Federal budget deficit for the fiscal year beginning in the calendar year (determined as if the amendments made by this section were not in effect for taxable years beginning in the following calendar year).

(B) CERTIFICATION.—The Director of the Office of Management and Budget shall certify to the President of the United States and to the Congress the first calendar year for which the Director estimates under subparagraph (A) that there will be no Federal budget deficit for both of the fiscal years for which the estimate was made.

SA 2611. Mr. SCHUMER (for himself, Mr. LAUTENBERG, Mrs. FEINSTEIN, Mr. FEINGOLD, Mrs. CLINTON, Mr. KERRY, Mr. LIEBERMAN, Mr. SALAZAR, Mrs. BOXER, Ms. STABENOW, Ms. MIKULSKI, Mr. KOHL, and Mr. KENNEDY) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING THE FEDERAL TAX DEDUCTION FOR STATE AND LOCAL TAXES.

(a) FINDINGS.—The Senate finds the following:

(1) No American should be unnecessarily or excessively burdened with additional taxes.

(2) The Federal income tax has grown more complicated and unmanageable over time, imposing burdensome administrative and compliance costs on American taxpayers.

(3) On January 7, 2005, President George W. Bush created the President's Advisory Panel on Federal Tax Reform (the ''Panel'') via Executive Order 13369.

(4) The Panel was tasked with providing several options for Federal tax reform that would simplify Federal tax laws, retain progressivity, and promote long-run economic growth and job creation.

(5) In its final report, released publicly on November 1, 2005, the Panel recommended the complete repeal of the Federal deduction for State and local taxes, as a central component of both the ''Simplified Income Tax Plan'' and the ''Growth and Investment Tax Plan''.

(6) State and local taxes have been deductible from the Federal income tax since the inception of the Federal income tax in 1913.

(7) Eliminating the deduction for State and local taxes would create a new form of double taxation at a time where efforts are being made to reduce other forms of double taxation, since repeal would require millions of taxpayers to pay Federal taxes on income that is also taxed at the State or local level.

(8) Congress has recently taken steps to expand, rather than cut back, the State and local tax deduction, by reinstating a deduction for State sales taxes for some taxpayers (previously repealed as part of the Tax Reform Act of 1986), as part of the American Jobs Creation Act of 2004.

(9) There is some concern, as noted by the nonpartisan Urban-Brookings Tax Policy Center, that eliminating the deduction could ''lower support for public services and lead to a 'race to the bottom' in terms of State and local expenditures as States compete to have the lowest taxes in order to attract higher-income households''.

(10) The deduction for State and local taxes is not just a concern for a small minority of taxpayers in the largest States, as 22 States saw more than ⅓ of their taxpayers take the deduction in 2003, the latest year for which data is available (Maryland, New Jersey, Connecticut, Colorado, Oregon, Minnesota, Massachusetts, Virginia, Utah, California, Georgia, New York, Wisconsin, Arizona, Rhode Island, Michigan, Delaware, North Carolina, Illinois, New Hampshire, Nevada, and Idaho (ranked in order of the percentage of taxpayers affected)).

(11) In tax year 2003, 43,538,000 taxpayers in the United States took advantage of the Federal deduction for State and local taxes, deducting a total of $315,690,000,000, thereby

saving taxpayers in the United States approximately $88,390,000,000 in Federal income taxes, assuming an average marginal rate of 28 percent for taxpayers who itemize.

(12) In tax year 2003, the top 25 States ranked by the number of taxpayers affected represented 77 percent of the taxpayers affected nationally, and took 85 percent of the total deductions for State and local taxes, as described in the following subparagraphs:

(A) In California, 5,807,000 taxpayers deducted a total of $54,920,000,000, saving California taxpayers approximately $15,380,000,000 in Federal income taxes.

(B) In New York, 3,228,000 taxpayers deducted a total of $37,600,000,000, saving New York taxpayers approximately $10,530,000,000 in Federal income taxes.

(C) In Illinois, 1,994,000 taxpayers deducted a total of $13,720,000,000, saving Illinois taxpayers approximately $3,840,000,000 in Federal income taxes.

(D) In Ohio, 1,809,000 taxpayers deducted a total of $12,720,000,000, saving Ohio taxpayers approximately $3,560,000,000 in Federal income taxes.

(E) In New Jersey, 1,791,000 taxpayers deducted a total of $18,750,000,000, saving New Jersey taxpayers approximately $5,250,000,000 in Federal income taxes.

(F) In Pennsylvania, 1,765,000 taxpayers deducted a total of $12,400,000,000, saving Pennsylvania taxpayers approximately $3,470,000,000 in Federal income taxes.

(G) In Michigan, 1,627,000 taxpayers deducted a total of $10,350,000,000, saving Michigan taxpayers approximately $2,900,000,000 in Federal income taxes.

(H) In Georgia, 1,416,000 taxpayers deducted a total of $8,720,000,000, saving Georgia taxpayers approximately $2,440,000,000 in Federal income taxes.

(I) In Virginia, 1,355,000 taxpayers deducted a total of $9,630,000,000, saving Virginia taxpayers approximately $2,700,000,000 in Federal income taxes.

(J) In North Carolina, 1,304,000 taxpayers deducted a total of $8,720,000,000, saving North Carolina taxpayers approximately $2,440,000,000 in Federal income taxes.

(K) In Maryland, 1,260,000 taxpayers deducted a total of $10,410,000,000, saving Maryland taxpayers approximately $2,920,000,000 in Federal income taxes.

(L) In Massachusetts, 1,216,000 taxpayers deducted a total of $10,840,000,000, saving Massachusetts taxpayers approximately $3,040,000,000 in Federal income taxes.

(M) In Minnesota, 969,000 taxpayers deducted a total of $7,060,000,000, saving Minnesota taxpayers approximately $1,980,000,000 in Federal income taxes.

(N) In Wisconsin, 961,000 taxpayers deducted a total of $8,000,000,000, saving Wisconsin taxpayers approximately $2,240,000,000 in Federal income taxes.

(O) In Colorado, 856,000 taxpayers deducted a total of $4,570,000,000, saving Colorado taxpayers approximately $1,280,000,000 in Federal income taxes.

(P) In Arizona, 841,000 taxpayers deducted a total of $4,110,000,000, saving Arizona taxpayers approximately $1,150,000,000 in Federal income taxes.

(Q) In Indiana, 832,000 taxpayers deducted a total of $4,530,000,000, saving Indiana taxpayers approximately $1,270,000,000 in Federal income taxes.

(R) In Missouri, 772,000 taxpayers deducted a total of $4,890,000,000, saving Missouri taxpayers approximately $1,370,000,000 in Federal income taxes.

(S) In Connecticut, 713,000 taxpayers deducted a total of $7,970,000,000, saving Connecticut taxpayers approximately $2,230,000,000 in Federal income taxes.

(T) In Oregon, 641,000 taxpayers deducted a total of $5,100,000,000, saving Oregon taxpayers approximately $1,430,000,000 in Federal income taxes.

(U) In South Carolina, 574,000 taxpayers deducted a total of $3,390,000,000, saving South Carolina taxpayers approximately $949,000,000 in Federal income taxes.

(V) In Alabama, 538,000 taxpayers deducted a total of $2,090,000,000, saving Alabama taxpayers approximately $586,000,000 in Federal income taxes.

(W) In Kentucky, 515,000 taxpayers deducted a total of $3,300,000,000, saving Kentucky taxpayers approximately $925,000,000 in Federal income taxes.

(X) In Oklahoma, 434,000 taxpayers deducted a total of $2,320,000,000, saving Oklahoma taxpayers approximately $650,000,000 in Federal income taxes.

(Y) In Iowa, 397,000 taxpayers deducted a total of $2,510,000,000, saving Iowa taxpayers approximately $702,000,000 in Federal income taxes.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that Congress should not repeal or substantially alter the longstanding Federal tax deduction for State and local taxes.

SA 2612. Ms. CANTWELL (form herself, Mr. BAYH, Mr. LIEBERMAN, Mr. SCHUMER, Mrs. BOXER, Mr. CARPER, Mrs. CLINTON, Mr. SALAZAR, Mr. KOHL, Mrs. MURRAY, Ms. STABENOW, and Mrs. FEINSTEIN) submitted an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of the bill, insert the following:

TITLE I—ENERGY EMERGENCY CONSUMER PROTECTION

SEC. ____. UNFAIR OR DECEPTIVE ACTS OR PRACTICES IN COMMERCE RELATED TO GASOLINE AND PETROLEUM DISTILLATES.

(a) SALES TO CONSUMERS AT UNCONSCIONABLE PRICE.—

(1) IN GENERAL.—During any energy emergency declared by the President under section 3, it is unlawful for any person to sell crude oil, gasoline, or petroleum distillates in, or for use in, the area to which that declaration applies at a price that—

(A) is unconscionably excessive; or

(B) indicates the seller is taking unfair advantage of the circumstances to increase prices unreasonably.

(2) FACTORS CONSIDERED.—In determining whether a violation of paragraph (1) has occurred, there shall be taken into account, among other factors, whether—

(A) the amount charged represents a gross disparity between the price of the crude oil, gasoline, or petroleum distillate sold and the price at which it was offered for sale in the usual course of the seller's business immediately prior to the energy emergency; or

(B) the amount charged grossly exceeds the price at which the same or similar crude oil, gasoline, or petroleum distillate was readily obtainable by other purchasers in the area to which the declaration applies.

(3) MITIGATING FACTORS.—In determining whether a violation of paragraph (1) has occurred, there also shall be taken into account, among other factors, the price that would reasonably equate supply and demand in a competitive and freely functioning market and whether the price at which the crude oil, gasoline, or petroleum distillate was sold reasonably reflects additional costs, not within the control of the seller, that were paid or incurred by the seller.

(b) FALSE PRICING INFORMATION.—It is unlawful for any person to report information related to the wholesale price of crude oil, gasoline, or petroleum distillates to the Federal Trade Commission if—

(1) that person knew, or reasonably should have known, the information to be false or misleading;

(2) the information was required by law to be reported; and

(3) the person intended the false or misleading data to affect data compiled by that department or agency for statistical or analytical purposes with respect to the market for crude oil, gasoline, or petroleum distillates.

(c) MARKET MANIPULATION.—It is unlawful for any person, directly or indirectly, to use or employ, in connection with the purchase or sale of crude oil, gasoline, or petroleum distillates at wholesale, any manipulative or deceptive device or contrivance, in contravention of such rules and regulations as the Commission may prescribe as necessary or appropriate in the public interest or for the protection of United States citizens.

SEC. ____. DECLARATION OF ENERGY EMERGENCY.

(a) IN GENERAL.—If the President finds that the health, safety, welfare, or economic well-being of the citizens of the United States is at risk because of a shortage or imminent shortage of adequate supplies of crude oil, gasoline, or petroleum distillates due to a disruption in the national distribution system for crude oil, gasoline, or petroleum distillates (including such a shortage related to a major disaster (as defined in section 102(2) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5122))), or significant pricing anomalies in national energy markets for crude oil, gasoline, or petroleum distillates, the President may declare that a Federal energy emergency exists.

(b) SCOPE AND DURATION.—The declaration shall apply to the Nation, a geographical region, or 1 or more States, as determined by the President, but may not be in effect for a period of more than 45 days.

(c) EXTENSIONS.—The President may—

(1) extend a declaration under subsection (a) for a period of not more than 45 days; and

(2) extend such a declaration more than once.

SEC. ____. ENFORCEMENT UNDER FEDERAL TRADE COMMISSION ACT.

(a) ENFORCEMENT BY COMMISSION.—This Act shall be enforced by the Federal Trade Commission. In enforcing section 2(a) of this Act, the Commission shall give priority to enforcement actions concerning companies with total United States wholesale or retail sales of crude oil, gasoline, and petroleum distillates in excess of $500,000,000 per year but shall not exclude enforcement actions against companies with total United States wholesale sales of $500,000,000 or less per year.

(b) VIOLATION IS UNFAIR OR DECEPTIVE ACT OR PRACTICE.—The violation of any provision of this Act shall be treated as an unfair or deceptive act or practice proscribed under a rule issued under section 18(a)(1)(B) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)(B)).

SEC. ____. ENFORCEMENT AT RETAIL LEVEL BY STATE ATTORNEYS GENERAL.

(a) IN GENERAL.—A State, as parens patriae, may bring a civil action on behalf of its residents in an appropriate district court of the United States to enforce the provisions of section 2(a) of this Act, or to impose the civil penalties authorized by section 6 for violations of section 2(a), whenever the attorney general of the State has reason to believe that the interests of the residents of the State have been or are being threatened or adversely affected by a person engaged in retail sales of gasoline or petroleum distillates to consumers for purposes other than

resale that violates this Act or a regulation under this Act.

(b) NOTICE.—The State shall serve written notice to the Commission of any civil action under subsection (a) prior to initiating such civil action. The notice shall include a copy of the complaint to be filed to initiate such civil action, except that if it is not feasible for the State to provide such prior notice, the State shall provide such notice immediately upon instituting such civil action.

(c) AUTHORITY TO INTERVENE.—Upon receiving the notice required by subsection (b), the Commission may intervene in such civil action and upon intervening—

(1) be heard on all matters arising in such civil action; and

(2) file petitions for appeal of a decision in such civil action.

(d) CONSTRUCTION.—For purposes of bringing any civil action under subsection (a), nothing in this section shall prevent the attorney general of a State from exercising the powers conferred on the attorney general by the laws of such State to conduct investigations or to administer oaths or affirmations or to compel the attendance of witnesses or the production of documentary and other evidence.

(e) VENUE; SERVICE OF PROCESS.—In a civil action brought under subsection (a)—

(1) the venue shall be a judicial district in which—

(A) the defendant operates;

(B) the defendant was authorized to do business; or

(C) where the defendant in the civil action is found;

(2) process may be served without regard to the territorial limits of the district or of the State in which the civil action is instituted; and

(3) a person who participated with the defendant in an alleged violation that is being litigated in the civil action may be joined in the civil action without regard to the residence of the person.

(f) LIMITATION ON STATE ACTION WHILE FEDERAL ACTION IS PENDING.—If the Commission has instituted a civil action or an administrative action for violation of this Act, no State attorney general, or official or agency of a State, may bring an action under this subsection during the pendency of that action against any defendant named in the complaint of the Commission or the other agency for any violation of this Act alleged in the complaint.

(g) ENFORCEMENT OF STATE LAW.—Nothing contained in this section shall prohibit an authorized State official from proceeding in State court to enforce a civil or criminal statute of such State.

SEC. ___. PENALTIES.

(a) CIVIL PENALTY.—

(1) IN GENERAL.—In addition to any penalty applicable under the Federal Trade Commission Act—

(A) any person who violates section 2(b) or 2(c) of this Act is punishable by a civil penalty of not more than $1,000,000; and

(B) any person who violates section 2(a) of this Act is punishable by a civil penalty of not more than $3,000,000.

(2) METHOD OF ASSESSMENT.—The penalties provided by paragraph (1) shall be assessed in the same manner as civil penalties imposed under section 5 of the Federal Trade Commission Act (15 U.S.C. 45).

(3) MULTIPLE OFFENSES; MITIGATING FACTORS.—In assessing the penalty provided by subsection (a)—

(A) each day of a continuing violation shall be considered a separate violation; and

(B) the Commission shall take into consideration the seriousness of the violation and the efforts of the person committing the violation to remedy the harm caused by the violation in a timely manner.

(b) CRIMINAL PENALTY.—Violation of section 2(a) of this Act is punishable by a fine of not more than $1,000,000, imprisonment for not more than 5 years, or both.

SEC. ___. EFFECT ON OTHER LAWS.

(a) OTHER AUTHORITY OF COMMISSION.—Nothing in this Act shall be construed to limit or affect in any way the Commission's authority to bring enforcement actions or take any other measure under the Federal Trade Commission Act (15 U.S.C. 41 et seq.) or any other provision of law.

(b) STATE LAW.—Nothing in this Act preempts any State law.

SA 2613. Mr. KENNEDY (for himself, Mr. BINGAMAN, Mr. LEVIN, Mr. DURBIN, and Ms. MIKULSKI) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. EXPANSION OF HOPE SCHOLARSHIP CREDIT.

(a) CREDIT ALLOWED FOR BOOKS AND ROOM AND BOARD.—

(1) IN GENERAL.—

(A) Subsection (b) of section 25A is amended by striking ''qualified tuition and related expenses'' each place it occurs and inserting ''qualified higher education expenses''.

(B) Subsection (f) of section 25A is amended by adding at the end the following new paragraph:

''(3) QUALIFIED HIGHER EDUCATION EXPENSES.—The term 'qualified higher education expenses' has the meaning given such term under section 529(e)(3).''.

(2) CONFORMING AMENDMENTS.—Subsections (e) and (g) of section 25A are amended by inserting ''qualified higher education expenses or'' before ''qualified'' each place it appears.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

SEC. ___. MODIFICATIONS OF EFFECTIVE DATES OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004.

(a) IN GENERAL.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by striking paragraphs (1) and (2), by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively, and by adding at the end the following new paragraph:

''(3) LEASES TO FOREIGN ENTITIES.—In the case of tax-exempt use property leased to a tax-exempt entity which is a foreign person or entity, the amendments made by this part shall apply to taxable years beginning after December 31, 2004, with respect to leases entered into on or before March 12, 2004.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SA 2614. Mr. PRYOR submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

SEC. ___. DEFINITION OF CONVENTION OR ASSOCIATION OF CHURCHES.

Section 7701 (relating to definitions) is amended by redesignating subsection (o) as subsection (p) and by inserting after subsection (n) the following new subsection:

''(o) CONVENTION OR ASSOCIATION OF CHURCHES.—For purposes of this title, any organization which is otherwise a convention or association of churches shall not fail to so qualify merely because the membership of such organization includes individuals as well as churches or because individuals have voting rights in such organization.''.

SA 2615. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of subtitle F of title V, add the following:

SEC. ___. REPEAL OF EXPENSING OF INTANGIBLE DRILLING AND DEVELOPMENT COSTS FOR OIL AND GAS WELLS.

(a) IN GENERAL.—Section 263(c) (relating to intangible drilling and development costs) is amended by adding at the end the following new sentence: ''This subsection shall not apply with respect to wells (other than wells drilled for any geothermal deposit (as so defined)) of any integrated oil company (as defined in section 291(b)(4)) which has an average daily worldwide production of crude oil of at least 500,000 barrels for the taxable year in any taxable year beginning after December 31, 2005.''.

(b) CONFORMING AMENDMENTS.—Paragraphs (2) and (3) of section 291(b) are each amended by striking ''section 263(c), 616(a),'' and inserting ''section 616(a)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SA 2616. Mr. KERRY (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

On page 235, between lines 13 and 14, insert the following:

SEC. ___. ACCELERATION OF MARRIAGE PENALTY RELIEF WITH RESPECT TO THE EARNED INCOME TAX CREDIT.

(a) IN GENERAL.—Subparagraph (B) of section 32(b)(2) (relating to joint returns) is amended—

(1) in clause (ii) by striking '', 2006, and 2007'', and

(2) in clause (iii) by striking ''2007'' and inserting ''2005''.

(b) INFLATION AMOUNT.—Section 32(j)(1)(B)(ii) is amended by striking ''calendar year 2007'' and inserting ''calendar year 2005''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. ___. EXTENSION OF ELECTION TO INCLUDE COMBAT PAY IN EARNED INCOME.

(a) IN GENERAL.—Subclause (II) of section 32(c)(2)(B)(vi) (relating to earned income) is amended by striking ''January 1, 2006'' and inserting ''January 1, 2008''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. _____. MODIFICATIONS OF EFFECTIVE DATES OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004.

(a) IN GENERAL.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by adding at the end the following new paragraph:

''(5) LEASES TO FOREIGN ENTITIES.—In the case of tax-exempt use property leased to a tax-exempt entity which is a foreign person or entity, the amendments made by this part shall apply to taxable years beginning after December 31, 2004, with respect to leases entered into on or before March 12, 2004.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SA 2617. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

SEC. ___. CLASSIFICATION OF AUTOMATIC FIRE SPRINKLER SYSTEMS.

(a) IN GENERAL.—Subparagraph (B) of section 168(e)(3) (relating to 5-year property) is amended by striking ''and'' at the end of clause (v), by striking the period at the end of clause (vi) and inserting '', and '', and by adding at the end the following:

''(vii) any automatic fire sprinkler system placed in service after the date of the enactment of this clause in a building structure which was placed in service before such date of enactment.''.

(b) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) (relating to special rule for certain property assigned to classes) is amended by inserting after the item relating to subparagraph (B)(iii) the following:

''(B)(vii) ..... 7''.

(c) DEFINITION OF AUTOMATIC FIRE SPRINKLER SYSTEM.—Subsection (i) of section 168 is amended by adding at the end the following:

''(18) AUTOMATED FIRE SPRINKLER SYSTEM.—The term 'automated fire sprinkler system' means those sprinkler systems classified under one or more of the following publications of the National Fire Protection Association—

''(A) NFPA 13, Installation of Sprinkler Systems,

''(B) NFPA 13 D, Installation of Sprinkler Systems in One and Two Family Dwellings and Manufactured Homes, and

''(C) NFPA 13 R, Installation of Sprinkler Systems in Residential Occupancies up to and Including Four Stories in Height.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SA 2618. Mr. SANTORUM submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

Subtitle B—Savings for Working Families

SEC. 411. DEFINITIONS.

In this subtitle:

(1) ELIGIBLE INDIVIDUAL.—

(A) IN GENERAL.—The term ''eligible individual'' means, with respect to any taxable year, an individual who—

(i) has attained the age of 18 but not the age of 61 as of the last day of such taxable year,

(ii) is a citizen or lawful permanent resident (within the meaning of section 7701(b)(6) of the Internal Revenue Code of 1986) of the United States as of the last day of such taxable year,

(iii) was not a student (as defined in section 151(c)(4) of such Code) for the immediately preceding taxable year,

(iv) is not an individual with respect to whom a deduction under section 151 of such Code is allowable to another taxpayer for a taxable year of the other taxpayer ending during the immediately preceding taxable year of the individual,

(v) is not a taxpayer described in subsection (c), (d), or (e) of section 6402 of such Code for the immediately preceding taxable year,

(vi) is not a taxpayer described in section 1(d) of such Code for the immediately preceding taxable year, and

(vii) is a taxpayer the modified adjusted gross income of whom for the immediately preceding taxable year does not exceed—

(I) $20,000, in the case of a taxpayer described in section 1(c) of such Code,

(II) $30,000, in the case of a taxpayer described in section 1(b) of such Code, and

(III) $40,000, in the case of a taxpayer described in section 1(a) of such Code.

(B) INFLATION ADJUSTMENT.—

(i) IN GENERAL.—In the case of any taxable year beginning after 2005, each dollar amount referred to in subparagraph (A)(vii) shall be increased by an amount equal to—

(I) such dollar amount, multiplied by

(II) the cost-of-living adjustment determined under section (1)(f)(3) of the Internal Revenue Code of 1986 for the calendar year in which the taxable year begins, by substituting ''2004'' for ''1992''.

(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

(C) MODIFIED ADJUSTED GROSS INCOME.—For purposes of subparagraph (A)(v), the term ''modified adjusted gross income'' means adjusted gross income—

(i) determined without regard to sections 86, 893, 911, 931, and 933 of the Internal Revenue Code of 1986, and

(ii) increased by the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax.

(2) INDIVIDUAL DEVELOPMENT ACCOUNT.—The term ''Individual Development Account'' means an account established for an eligible individual as part of a qualified individual development account program, but only if the written governing instrument creating the account meets the following requirements:

(A) The owner of the account is the individual for whom the account was established.

(B) No contribution will be accepted unless it is in cash, and, except in the case of any qualified rollover, contributions will not be accepted for the taxable year in excess of $1,500 on behalf of any individual.

(C) The trustee of the account is a qualified financial institution.

(D) The assets of the account will not be commingled with other property except in a common trust fund or common investment fund.

(E) Except as provided in section 415(b), any amount in the account may be paid out only for the purpose of paying the qualified expenses of the account owner.

(3) PARALLEL ACCOUNT.—The term ''parallel account'' means a separate, parallel individual or pooled account for all matching funds and earnings dedicated to an Individual Development Account owner as part of a qualified individual development account program, the trustee of which is a qualified financial institution.

(4) QUALIFIED FINANCIAL INSTITUTION.—

(A) IN GENERAL.—The term ''qualified financial institution'' means any person authorized to be a trustee of any individual retirement account under section 408(a)(2) of the Internal Revenue Code of 1986.

(B) RULE OF CONSTRUCTION.—

(i) IN GENERAL.—Nothing in this paragraph shall be construed as preventing a person described in subparagraph (A) from collaborating with 1 or more qualified nonprofit organizations or Indian tribes to carry out an individual development account program established under section 412.

(ii) QUALIFIED NONPROFIT ORGANIZATION.—The term ''qualified nonprofit organization'' means—

(I) any organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code,

(II) any community development financial institution certified by the Community Development Financial Institution Fund,

(III) any credit union chartered under Federal or State law, or

(IV) any public housing agency as defined in section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

(iii) INDIAN TRIBE.—The term ''Indian tribe'' means any Indian tribe as defined in section 4(12) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(12), and includes any tribally designated housing entity (as defined in section 4(21) of such Act (25 U.S.C. 4103(21)), tribal subsidiary, subdivision, or other wholly owned tribal entity.

(5) QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM.—The term ''qualified individual development account program'' means a program established upon approval of the Secretary under section 412 after December 31, 2006, under which—

(A) Individual Development Accounts and parallel accounts are held in trust by a qualified financial institution, and

(B) additional activities determined by the Secretary, in consultation with the Secretary of Health and Human Services, as necessary to responsibly develop and administer accounts, including recruiting, providing financial education and other training to Account owners, and regular program monitoring, are carried out by the qualified financial institution.

(6) QUALIFIED EXPENSE DISTRIBUTION.—

(A) IN GENERAL.—The term ''qualified expense distribution'' means any amount paid (including through electronic payments) or distributed out of an Individual Development Account or a parallel account established for an eligible individual if such amount—

(i) is used exclusively to pay the qualified expenses of the Individual Development Account owner or such owner's spouse or dependents,

(ii) is paid by the qualified financial institution—

(I) except as otherwise provided in this clause, directly to the unrelated third party to whom the amount is due,

(II) in the case of any qualified rollover, directly to another Individual Development Account and parallel account, or

(III) in the case of a qualified final distribution, directly to the spouse, dependent, or other named beneficiary of the deceased Account owner, and

(iii) is paid after the Account owner has completed a financial education course if required under section 413(b).

(B) QUALIFIED EXPENSES.—

(i) IN GENERAL.—The term ''qualified expenses'' means any of the following expenses approved by the qualified financial institution:

(I) Qualified higher education expenses.

(II) Qualified first-time homebuyer costs.

(III) Qualified business capitalization or expansion costs.

(IV) Qualified rollovers.

(V) Qualified final distribution.

(ii) QUALIFIED HIGHER EDUCATION EXPENSES.—

(I) IN GENERAL.—The term ''qualified higher education expenses'' has the meaning given such term by section 529(e)(3) of the Internal Revenue Code of 1986, determined by treating the Account owner, the owner's spouse, or one or more of the owner's dependents as a designated beneficiary, and reduced as provided in section 25A(g)(2) of such Code.

(II) COORDINATION WITH OTHER BENEFITS.—The amount of expenses which may be taken into account for purposes of section 135, 529, or 530 of such Code for any taxable year shall be reduced by the amount of any qualified higher education expenses taken into account as qualified expense distributions during such taxable year.

(iii) QUALIFIED FIRST-TIME HOMEBUYER COSTS.—The term ''qualified first-time homebuyer costs'' means qualified acquisition costs (as defined in section 72(t)(8)(C) of the Internal Revenue Code of 1986) with respect to a principal residence (within the meaning of section 121 of such Code) for a qualified first-time homebuyer (as defined in section 72(t)(8)(D)(i) of such Code).

(iv) QUALIFIED BUSINESS CAPITALIZATION OR EXPANSION COSTS.—

(I) IN GENERAL.—The term ''qualified business capitalization or expansion costs'' means qualified expenditures for the capitalization or expansion of a qualified business pursuant to a qualified business plan.

(II) QUALIFIED EXPENDITURES.—The term ''qualified expenditures'' means expenditures normally associated with starting or expanding a business and included in a qualified business plan, including costs for capital, plant, and equipment, inventory expenses, and attorney and accounting fees.

(III) QUALIFIED BUSINESS.—The term ''qualified business'' means any business that does not contravene any law.

(IV) QUALIFIED BUSINESS PLAN.—The term ''qualified business plan'' means a business plan which has been approved by the qualified financial institution and which meets such requirements as the Secretary may specify.

(v) QUALIFIED ROLLOVERS.—The term ''qualified rollover'' means the complete distribution of the amounts in an Individual Development Account and parallel account to another Individual Development Account and parallel account established in another qualified financial institution for the benefit of the Account owner.

(vi) QUALIFIED FINAL DISTRIBUTION.—The term ''qualified final distribution'' means, in the case of a deceased Account owner, the complete distribution of the amounts in the Individual Development Account and parallel account directly to the spouse, any dependent, or other named beneficiary of the deceased.

(7) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

SEC. 412. STRUCTURE AND ADMINISTRATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) ESTABLISHMENT OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.—Any qualified financial institution may apply to the Secretary for approval to establish 1 or more qualified individual development account programs which meet the requirements of this subtitle.

(b) BASIC PROGRAM STRUCTURE.—

(1) IN GENERAL.—All qualified individual development account programs shall consist of the following 2 components for each participant:

(A) An Individual Development Account to which an eligible individual may contribute cash in accordance with section 413.

(B) A parallel account to which all matching funds shall be deposited in accordance with section 414.

(2) TAILORED IDA PROGRAMS.—A qualified financial institution may tailor its qualified individual development account program to allow matching funds to be spent on 1 or more of the categories of qualified expenses.

(c) COORDINATION WITH PUBLIC HOUSING AGENCY INDIVIDUAL SAVINGS ACCOUNTS.—Section 3(e)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(e)(2)) is amended by inserting ''or in any Individual Development Account established under subtitle B of title IV of the Tax Relief Act of 2005'' after ''subsection''.

(d) TAX TREATMENT OF PARALLEL ACCOUNTS.—

(1) IN GENERAL.—Chapter 77 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

''SEC. 7529. TAX INCENTIVES FOR INDIVIDUAL DEVELOPMENT PARALLEL ACCOUNTS.

''For purposes of this title—

''(1) any account described in section 412(b)(1)(B) of the Tax Relief Act of 2005 shall be exempt from taxation,

''(2) except as provided in section 45G, no item of income, expense, basis, gain, or loss with respect to such an account may be taken into account, and

''(3) any amount withdrawn from such an account shall not be includible in gross income.''.

(2) CONFORMING AMENDMENT.—The table of sections for chapter 77 is amended by adding at the end the following new item:

''Sec. 7529. Tax incentives for individual development parallel accounts.''.

(e) COORDINATION OF CERTAIN EXPENSES.—Section 25A(g)(2) is amended by striking ''and'' at the end of subparagraph (C), by striking the period at the end of subparagraph (D) and inserting '', and'', and by adding at the end the following new subparagraph:

''(D) a qualified expense distribution with respect to qualified higher education expenses from an Individual Development Account or a parallel account under section 415(a) of the Tax Relief Act of 2005.''.

SEC. 413. PROCEDURES FOR OPENING AND MAINTAINING AN INDIVIDUAL DEVELOPMENT ACCOUNT AND QUALIFYING FOR MATCHING FUNDS.

(a) OPENING AN ACCOUNT.—An eligible individual may open an Individual Development Account with a qualified financial institution upon certification that such individual has never maintained any other Individual Development Account (other than an Individual Development Account to be terminated by a qualified rollover).

(b) REQUIRED COMPLETION OF FINANCIAL EDUCATION COURSE.—

(1) IN GENERAL.—Before becoming eligible to withdraw funds to pay for qualified expenses, owners of Individual Development Accounts must complete 1 or more financial education courses specified in the qualified individual development account program.

(2) STANDARD AND APPLICABILITY OF COURSE.—The Secretary, in consultation with representatives of qualified individual development account programs and financial educators, shall, not later than January 1, 2006, establish minimum quality standards for the contents of financial education courses and providers of such courses described in paragraph (1) and a protocol to exempt individuals from the requirement under paragraph (1) in the case of hardship, lack of need, the attainment of age 65, or a qualified final distribution.

(c) PROOF OF STATUS AS AN ELIGIBLE INDIVIDUAL.—Federal income tax forms for the immediately preceding taxable year and any other evidence of eligibility which may be required by a qualified financial institution shall be presented to such institution at the time of the establishment of the Individual Development Account and in any taxable year in which contributions are made to the Account to qualify for matching funds under section 414(b)(1)(A).

(d) SPECIAL RULE IN THE CASE OF MARRIED INDIVIDUALS.—For purposes of this subtitle, if, with respect to any taxable year, 2 married individuals file a Federal joint income tax return, then not more than 1 of such individuals may be treated as an eligible individual with respect to the succeeding taxable year.

SEC. 414. DEPOSITS BY QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) PARALLEL ACCOUNTS.—The qualified financial institution shall deposit all matching funds for each Individual Development Account into a parallel account at a qualified financial institution.

(b) REGULAR DEPOSITS OF MATCHING FUNDS.—

(1) IN GENERAL.—Subject to paragraph (2), the qualified financial institution shall deposit into the parallel account with respect to each eligible individual the following amounts:

(A) A dollar-for-dollar match for the first $500 contributed by the eligible individual into an Individual Development Account with respect to any taxable year of such individual.

(B) Any matching funds provided by State, local, or private sources in accordance with the matching ratio set by those sources.

(2) TIMING OF DEPOSITS.—A deposit of the amounts described in paragraph (1) shall be made into a parallel account—

(A) in the case of amounts described in paragraph (1)(A), not later than 30 days after the end of the calendar quarter during which the contribution described in such paragraph was made, and

(B) in the case of amounts described in paragraph (1)(B), not later than 2 business days after such amounts were provided.

(3) CROSS REFERENCE.—For allowance of tax credit for Individual Development Account subsidies, including matching funds, see section 45N of the Internal Revenue Code of 1986, as added by section 419(a).

(c) DEPOSIT OF MATCHING FUNDS INTO INDIVIDUAL DEVELOPMENT ACCOUNT OF INDIVIDUAL WHO HAS ATTAINED AGE 65.—In the case of an Individual Development Account owner who attains the age of 65, the qualified financial institution shall deposit the funds in the parallel account with respect to such individual into the Individual Development Account of such individual on the later of—

(1) the day which is the 1-year anniversary of the deposit of such funds in the parallel account, or

(2) the first business day of the taxable year of such individual following the taxable year in which such individual attained age 65.

(d) UNIFORM ACCOUNTING REGULATIONS.—To ensure proper recordkeeping and determination of the tax credit under section 45N of the Internal Revenue Code of 1986, as added

by section 419(a), the Secretary shall prescribe regulations with respect to accounting for matching funds in the parallel accounts.

(e) REGULAR REPORTING OF ACCOUNTS.—Any qualified financial institution shall report the balances in any Individual Development Account and parallel account of an individual on not less than an annual basis to such individual.

SEC. 415. WITHDRAWAL PROCEDURES.

(a) WITHDRAWALS FOR QUALIFIED EXPENSES.—

(1) IN GENERAL.—An Individual Development Account owner may withdraw funds in order to pay qualified expense distributions from such individual's—

(A) Individual Development Account, but only from funds which have been on deposit in such Account for at least 1 year, and

(B) parallel account, but only—

(i) from matching funds which have been on deposit in such parallel account for at least 1 year,

(ii) from earnings in such parallel account, after all matching funds described in clause (i) have been withdrawn, and

(iii) to the extent such withdrawal does not result in a remaining balance in such parallel account which is less than the remaining balance in the Individual Development Account after such withdrawal.

(2) PROCEDURE.—Upon receipt of a withdrawal request which meets the requirements of paragraph (1), the qualified financial institution shall directly transfer the funds electronically to the distributees described in section 411(6)(A)(ii). If a distributee is not equipped to receive funds electronically, the qualified financial institution may issue such funds by paper check to the distributee.

(b) WITHDRAWALS FOR NONQUALIFIED EXPENSES.—An Individual Development Account owner may withdraw any amount of funds from the Individual Development Account for purposes other than to pay qualified expense distributions, but if, after such withdrawal, the amount in the parallel account of such owner (excluding earnings on matching funds) exceeds the amount remaining in such Individual Development Account, then such owner shall forfeit from the parallel account the lesser of such excess or the amount withdrawn.

(c) WITHDRAWALS FROM ACCOUNTS OF NONELIGIBLE INDIVIDUALS.—If the individual for whose benefit an Individual Development Account is established ceases to be an eligible individual, such account shall remain an Individual Development Account, but such individual shall not be eligible for any further matching funds under section 414(b)(1)(A) for contributions which are made to the Account during any taxable year when such individual is not an eligible individual.

(d) EFFECT OF PLEDGING ACCOUNT AS SECURITY.—If, during any taxable year of the individual for whose benefit an Individual Development Account is established, that individual uses the Account, the individual's parallel account, or any portion thereof as security for a loan, the portion so used shall be treated as a withdrawal of such portion from the Individual Development Account for purposes other than to pay qualified expenses.

SEC. 416. CERTIFICATION AND TERMINATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) CERTIFICATION PROCEDURES.—Upon establishing a qualified individual development account program under section 412, a qualified financial institution shall certify to the Secretary at such time and in such manner as may be prescribed by the Secretary and accompanied by any documentation required by the Secretary, that—

(1) the accounts described in subparagraphs (A) and (B) of section 412(b)(1) are operating pursuant to all the provisions of this Act, and

(2) the qualified financial institution agrees to implement an information system necessary to monitor the cost and outcomes of the qualified individual development account program.

(b) AUTHORITY TO TERMINATE QUALIFIED IDA PROGRAM.—If the Secretary determines that a qualified financial institution under this Act is not operating a qualified individual development account program in accordance with the requirements of this Act (and has not implemented any corrective recommendations directed by the Secretary), the Secretary shall terminate such institution's authority to conduct the program. If the Secretary is unable to identify a qualified financial institution to assume the authority to conduct such program, then any funds in a parallel account established for the benefit of any individual under such program shall be deposited into the Individual Development Account of such individual as of the first day of such termination.

SEC. 417. REPORTING, MONITORING, AND EVALUATION.

(a) RESPONSIBILITIES OF QUALIFIED FINANCIAL INSTITUTIONS.—Each qualified financial institution that operates a qualified individual development account program under section 412 shall report annually to the Secretary within 90 days after the end of each calendar year on—

(1) the number of individuals making contributions into Individual Development Accounts and the amounts contributed,

(2) the amounts contributed into Individual Development Accounts by eligible individuals and the amounts deposited into parallel accounts for matching funds,

(3) the amounts withdrawn from Individual Development Accounts and parallel accounts, and the purposes for which such amounts were withdrawn,

(4) the balances remaining in Individual Development Accounts and parallel accounts, and

(5) such other information needed to help the Secretary monitor the effectiveness of the qualified individual development account program (provided in a non-individually-identifiable manner).

(b) RESPONSIBILITIES OF THE SECRETARY.—

(1) MONITORING PROTOCOL.—Not later than 12 months after the date of the enactment of this Act, the Secretary, in consultation with the Secretary of Health and Human Services, shall develop and implement a protocol and process to monitor the cost and outcomes of the qualified individual development account programs established under section 412.

(2) ANNUAL REPORTS.—For each year after 2007, the Secretary shall submit a progress report to Congress on the status of such qualified individual development account programs. Such report shall, to the extent data are available, include from a representative sample of qualified individual development account programs information on—

(A) the characteristics of participants, including age, gender, race or ethnicity, marital status, number of children, employment status, and monthly income,

(B) deposits, withdrawals, balances, uses of Individual Development Accounts, and participant characteristics,

(C) the characteristics of qualified individual development account programs, including match rate, economic education requirements, permissible uses of accounts, staffing of programs in full time employees, and the total costs of programs, and

(D) process information on program implementation and administration, especially on problems encountered and how problems were solved.

(3) USE OF ACCOUNTS IN RURAL AREAS ENCOURAGED.—The Secretary shall develop methods to encourage the use of Individual Development Accounts in rural areas.

SEC. 418. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated to the Secretary $1,000,000 for fiscal year 2007 and for each fiscal year through 2014, for the purposes of implementing this subtitle, including the reporting, monitoring, and evaluation required under section 417, to remain available until expended.

(b) GRANTS.—There is authorized to be appropriated to the Secretary $20,000,000—

(1) to make grants to qualified nonprofit organizations and Indian tribes to help defray the administrative costs associated with the operation of individual development account programs, including the required financial education courses, and

(2) to provide technical assistance to qualified nonprofit organizations and Indian tribes in meeting such program requirements.

SEC. 419. MATCHING FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS PROVIDED THROUGH A TAX CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding at the end the following new section:

"SEC. 45N. INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT CREDIT.

''(a) DETERMINATION OF AMOUNT.—For purposes of section 38, the individual development account investment credit determined under this section with respect to any eligible entity for any taxable year is an amount equal to the individual development account investment provided by such eligible entity during the taxable year under an individual development account program established under section 412 of the Tax Relief Act of 2005.

''(b) APPLICABLE TAX.—For the purposes of this section, the term 'applicable tax' means the excess (if any) of—

''(1) the tax imposed under this chapter (other than the taxes imposed under the provisions described in subparagraphs (C) through (Q) of section 26(b)(2)), over

''(2) the credits allowable under subpart B (other than this section) and subpart D of this part.

''(c) INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT.—For purposes of this section, the term 'individual development account investment' means, with respect to an individual development account program in any taxable year, an amount equal to the sum of—

''(1) the aggregate amount of dollar-for-dollar matches under such program under section 414(b)(1)(A) of the Tax Relief Act of 2005 for such taxable year, plus

''(2) $50 with respect to each Individual Development Account maintained—

''(A) as of the end of such taxable year, but only if such taxable year is within the 7-taxable-year period beginning with the taxable year in which such Account is opened, and

''(B) with a balance of not less than $100 (other than the taxable year in which such Account is opened).

''(d) ELIGIBLE ENTITY.—For purposes of this section, except as provided in regulations, the term 'eligible entity' means a qualified financial institution.

''(e) OTHER DEFINITIONS.—For purposes of this section, any term used in this section and also in subtitle B of part IV of the Tax Relief Act of 2005 shall have the meaning given such term in such subtitle.

''(f) DENIAL OF DOUBLE BENEFIT.—

''(1) IN GENERAL.—No deduction or credit (other than under this section) shall be allowed under this chapter with respect to any expense which—

''(A) is taken into account under subsection (c)(1)(A) in determining the credit under this section, or

''(B) is attributable to the maintenance of an Individual Development Account.

''(2) DETERMINATION OF AMOUNT.—Solely for purposes of paragraph (1)(B), the amount attributable to the maintenance of an Individual Development Account shall be deemed to be the dollar amount of the credit allowed under subsection (c)(1)(B) for each taxable year such Individual Development Account is maintained.

''(g) CREDIT MAY BE TRANSFERRED.—

''(1) IN GENERAL.—An eligible entity may transfer any credit allowable to the eligible entity under subsection (a) to any person other than to another eligible entity which is exempt from tax under this title. The determination as to whether a credit is allowable shall be made without regard to the tax-exempt status of the eligible entity.

''(2) CONSENT REQUIRED FOR REVOCATION.—Any transfer under paragraph (1) may be revoked only with the consent of the Secretary.

''(h) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including

''(1) such regulations as necessary to insure that any credit described in subsection (g)(1) is claimed once and not retransferred by a transferee, and

''(2) regulations providing for a recapture of the credit allowed under this section (notwithstanding any termination date described in subsection (i)) in cases where there is a forfeiture under section 415(b) of the Tax Relief Act of 2005 in a subsequent taxable year of any amount which was taken into account in determining the amount of such credit.

''(i) APPLICATION OF SECTION.—

''(1) IN GENERAL.—This section shall apply to any expenditure made in any taxable year ending after December 31, 2006, and beginning on or before January 1, 2014, with respect to any Individual Development Account which—

''(A) is opened before January 1, 2012, and

''(B) as determined by the Secretary, when added to all of the previously opened Individual Development Accounts, does not cause the total number of such Accounts to exceed 900,000.

Notwithstanding the preceding sentence, this section shall apply to amounts which are described in subsection (c)(1) and which are timely deposited into a parallel account during the 30-day period following the end of the last taxable year beginning on or before January 1, 2014.

''(2) DETERMINATION OF LIMITATION.—The limitation on the number of Individual Development Accounts under paragraph (1)(B) shall be allocated by the Secretary among eligible individuals as such individuals open such Accounts under qualified individual development account programs, except that, in the case of 300,000 Accounts, such limitation shall be equally allocated among the States.''.

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b) (relating to current year business credit) is amended by striking ''and'' at the end of paragraph (25), by striking the period at the end of paragraph (26) and inserting '', and'', and by adding at the end the following new paragraph:

''(27) the individual development account investment credit determined under section 45J(a).''.

(c) CONFORMING AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 45N. Individual development account investment credit.''.

(d) REPORT REGARDING ACCOUNT MAINTENANCE FEES.—The Secretary of the Treasury shall study the adequacy of the amount specified in section 45N(c)(2) of the Internal Revenue Code of 1986 (as added by this section). Not later than December 31, 2010, the Secretary of the Treasury shall report the findings of the study described in the preceding sentence to Congress.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 2006.

SEC. 420. ACCOUNT FUNDS DISREGARDED FOR PURPOSES OF CERTAIN MEANS-TESTED FEDERAL PROGRAMS.

Notwithstanding any other provision of Federal law (other than the Internal Revenue Code of 1986) that requires consideration of 1 or more financial circumstances of an individual, for the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such provision to be provided to or for the benefit of such individual, any amount (including earnings thereon) in any Individual Development Account of such individual and any matching deposit made on behalf of such individual (including earnings thereon) in any parallel account shall be disregarded for such purpose with respect to any period during which such individual maintains or makes contributions into such Individual Development Account.

SA 2619. Mrs. HUTCHISON submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

On page 235, between lines 13 and 14, insert the following:

SEC. ___. MODIFICATION OF BOND RULE.

(a) IN GENERAL.—In the case of bonds issued after the date of the enactment of this Act and before August 31, 2009—

(1) the requirement of paragraph (1) of section 648 of the Deficit Reduction Act of 1984 (98 Stat. 941) shall be treated as met with respect to the securities or obligations referred to in such section if such securities or obligations are held in a fund the annual distributions from which cannot exceed 7 percent of the average fair market value of the assets held in such fund except to the extent distributions are necessary to pay debt service on the bond issue,

(2) paragraph (3) of such section shall be applied by substituting ''distributions from'' for ''the investment earnings of'' both places it appears, and

(3) Paragraph (4) of such section shall be applied by substituting ''March 1, 1985'' for ''October 9, 1969''.

(b) INCREASE IN MINIMUM PENALTY FOR BAD CHECKS AND MONEY ORDERS.—

(1) IN GENERAL.—Section 6657 (related to bad checks), as amended by section 535, is amended—

(A) by striking ''$1,250'' and inserting ''$2,000'', and

(B) by striking ''$25'' and inserting ''$40''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to checks or money orders received after the date of the enactment of this Act.

SA 2620. Ms. SNOWE (for herself and Mr. SCHUMER) submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

SEC. ___. INTEREST DETERMINATIONS ON STUDENT LOANS.

(a) IN GENERAL.—Section 221 (relating to interest on education loans) is amended by redesignating subsection (f) as subsection (g) and by inserting after subsection (e) the following new subsection:

''(f) DETERMINATION OF INTEREST PAID.—In the case of a qualified education loan made after December 31, 2004, for purposes of this section and notwithstanding any other provision of this title—

''(1) IN GENERAL.—

''(A) TREATMENT AS INTEREST.—Any payment on such loan shall be treated as a payment of interest to the extent of the balance, immediately before such payment, in the accumulated interest account with respect to such loan.

''(B) EXCEPTION.—Subparagraph (A) shall not apply to any payment of collection costs, late fees, and penalties.

''(2) ACCUMULATED INTEREST ACCOUNT.—

''(A) IN GENERAL.—The term 'accumulated interest account' means an account which is adjusted in accordance with this paragraph.

''(B) INCREASES.—The balance in the accumulated interest account shall be increased for any period by the sum of—

''(i) the loan origination fees incurred by the borrower in such period,

''(ii) the amount of stated interest on the loan for such period, and

''(iii) the amount of any fee imposed under section 428(b)(1)(H) of the Higher Education Act of 1965 (20 U.S.C. 1078(b)(1)(H)).

''(C) DECREASES.—The balance in the accumulated interest account shall be decreased (but not below zero) by payments made on the loan to the extent treated as interest under this section.

''(3) LOAN ORIGINATION FEES.—

''(A) FEDERAL PROGRAMS.—The term 'loan origination fee' includes any fee imposed under any of the following provisions of the Higher Education Act of 1965:

''(i) Section 438(c) (20 U.S.C. 1087–1(c)).

''(ii) Section 455(c) (20 U.S.C. 1087e(c)).

''(B) FEES FOR SERVICES OR PROPERTY EXCLUDED.—Except as provided under subparagraph (A), the term 'loan origination fee' does not include any fee which is a fee for services or property.

''(4) STATED INTEREST.—The term 'stated interest' means, with respect to any period, the amount of interest determined for the period based on the stated rate of interest applicable to the period (whether or not the interest is required to be paid in such period).

''(5) ANTI-ABUSE RULE.—The Secretary may prescribe rules to prevent the acceleration or deceleration of additions to the accumulated interest account where the loan origination fees or stated interest do not properly reflect the substance of the loan.''.

(b) INFORMATION RETURNS.—

(1) INTEREST AND LOAN ORIGINATION FEE DEFINED.—Subsection (e) of section 6050S (relating to the general rule for form and manner of returns) is amended by inserting before the period at the end the following: '', and the term 'interest' has the same meaning as when used in section 221''.

(2) PRE-2005 LOANS.—The regulations under section 6050S of the Internal Revenue Code of 1986 which are applicable to loans made before September 1, 2004, shall also apply to loans made on or after such date which are made before January 1, 2005.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

SA 2621. Ms. SNOWE submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

SEC. ___. CLARIFICATION OF CASH ACCOUNTING RULES FOR SMALL BUSINESS.

(a) CASH ACCOUNTING PERMITTED.—

(1) IN GENERAL.—Section 446 (relating to general rule for methods of accounting) is amended by adding at the end the following new subsection:

''(g) CERTAIN SMALL BUSINESS TAXPAYERS PERMITTED TO USE CASH ACCOUNTING METHOD WITHOUT LIMITATION.—

''(1) IN GENERAL.—An eligible taxpayer shall not be required to use an accrual method of accounting for any taxable year.

''(2) ELIGIBLE TAXPAYER.—For purposes of this subsection, a taxpayer is an eligible taxpayer with respect to any taxable year if—

''(A) for all prior taxable years beginning after December 31, 2004, the taxpayer (or any predecessor) met the gross receipts test of section 448(c), and

''(B) the taxpayer is not subject to section 447 or 448.''.

(2) EXPANSION OF GROSS RECEIPTS TEST.—

(A) IN GENERAL.—Paragraph (3) of section 448(b) (relating to entities with gross receipts of not more than $5,000,000) is amended by striking ''$5,000,000'' in the text and in the heading and inserting ''$10,000,000''.

(B) CONFORMING AMENDMENTS.—Section 448(c) is amended—

(i) by striking ''$5,000,000'' each place it appears in the text and in the heading of paragraph (1) and inserting ''$10,000,000'', and

(ii) by adding at the end the following new paragraph:

''(4) INFLATION ADJUSTMENT.—In the case of any taxable year beginning in a calendar year after 2005, the dollar amount contained in subsection (b)(3) and paragraph (1) of this subsection shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, by substituting 'calendar year 2004' for 'calendar year 1992' in subparagraph (B) thereof. If any amount as adjusted under this subparagraph is not a multiple of $100,000, such amount shall be rounded to the nearest multiple of $100,000.''.

(b) CLARIFICATION OF INVENTORY RULES FOR SMALL BUSINESS.—

(1) IN GENERAL.—Section 471 (relating to general rule for inventories) is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) SMALL BUSINESS TAXPAYERS NOT REQUIRED TO USE INVENTORIES.—

''(1) IN GENERAL.—A qualified taxpayer shall not be required to use inventories under this section for a taxable year.

''(2) TREATMENT OF TAXPAYERS NOT USING INVENTORIES.—If a qualified taxpayer does not use inventories with respect to any property for any taxable year beginning after December 31, 2004, such property shall be treated as a material or supply which is not incidental.

''(3) QUALIFIED TAXPAYER.—For purposes of this subsection, the term 'qualified taxpayer' means—

''(A) any eligible taxpayer (as defined in section 446(g)(2)), and

''(B) any taxpayer described in section 448(b)(3).''.

(2) CONFORMING AMENDMENTS.—

(A) Subpart D of part II of subchapter E of chapter 1 is amended by striking section 474.

(B) The table of sections for subpart D of part II of subchapter E of chapter 1 is amended by striking the item relating to section 474.

(c) EFFECTIVE DATE AND SPECIAL RULES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

(2) CHANGE IN METHOD OF ACCOUNTING.—In the case of any taxpayer changing the taxpayer's method of accounting for any taxable year under the amendments made by this section—

(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 over a period (not greater than 4 taxable years) beginning with such taxable year.

SEC. ___. INCLUSION OF HEAVY VEHICLES IN LIMITATION ON DEPRECIATION OF CERTAIN LUXURY AUTOMOBILES.

(a) IN GENERAL.—Section 280F(d)(5)(A) (defining passenger automobile) is amended—

(1) by striking clause (ii) and inserting the following new clause:

''(ii)(I) which is rated at 6,000 pounds unloaded gross vehicle weight or less, or

''(II) which is rated at more than 6,000 pounds but not more than 14,000 pounds gross vehicle weight.'',

(2) by striking ''clause (ii)'' in the second sentence and inserting ''clause (ii)(I)''.

(b) CONFORMING AMENDMENT.—Section 179(b) (relating to limitations) is amended by striking paragraph (6).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

SA 2622. Ms. MURKOWSKI (for herself and Mr. STEVENS) submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

SEC. ___. HYDROELECTRIC DEVELOPMENT INCENTIVES.

(a) IN GENERAL.—Project numbers 1051, 10440, 11393, 11077, 11588, and 12379 of the Federal Energy Regulatory Commission shall be eligible for the maximum favorable treatment afforded under any Federal legislation or any amendments made by such legislation which promotes hydroelectric development that is enacted during the 10-year period that begins on the date that is 5 years prior to the date of enactment of this Act.

(b) DEEMED QUALIFIED ENERGY RESOURCES.—All power produced by the project numbers specified in subsection (a) shall be deemed to be qualified energy resources for purposes of qualifying for any energy production credit or similar benefit enacted for hydroelectric development within the 10-year period described in subsection (a).

(c) TRIPLE INTEREST AND PENALTIES FOR UNDERPAYMENTS RELATED TO CERTAIN OFFSHORE FINANCIAL ARRANGEMENTS.—Section 532 of this Act is amended—

(1) in the section heading, by striking ''**DOUBLING**'' and inserting ''**TRIPLING**''; and

(2) in subsection (a)(1)(B), by striking ''twice'' and inserting ''3 times''.

SA 2623. Mr. DURBIN (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV, insert the following:

SEC. ___. REDUCED TAXES FOR PATRIOT EMPLOYERS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following new section:

''SEC. 45N. REDUCTION IN TAX OF PATRIOT EMPLOYERS.

''(a) IN GENERAL.—In the case of any taxable year beginning after December 31, 2005, and before January 1, 2011, with respect to which a taxpayer is certified by the Secretary as a Patriot employer, the Patriot employer credit determined under this section for purposes of section 38 shall be equal to 1 percent of the taxable income of the taxpayer which is properly allocable to all trades or businesses with respect to which the taxpayer is certified as a Patriot employer for the taxable year.

''(b) PATRIOT EMPLOYER.—For purposes of subsection (a), the term 'Patriot employer' means, with respect to any taxable year, any taxpayer which—

''(1) maintains its headquarters in the United States if the taxpayer has ever been headquartered in the United States,

''(2) pays at least 60 percent of each employee's health care premiums,

''(3) if such taxpayer employs at least 50 employees on average during the taxable year—

''(A) maintains or increases the number of full-time workers in the United States relative to the number of full-time workers outside of United States,

''(B) compensates each employee of the taxpayer at an hourly rate (or equivalent thereof) not less than an amount equal to the Federal poverty level for a family of three for the calendar year in which the taxable year begins divided by 2,080,

''(C) provides either a defined benefit plan or a defined contribution plan which fully matches at least 5 percent of each employee's contributions to the plan, and

''(D) provides full differential salary and insurance benefits for all National Guard and Reserve employees who are called for active duty, and

''(4) if such taxpayer employs less than 50 employees on average during the taxable year, either—

''(A) compensates each employee of the taxpayer at an hourly rate (or equivalent thereof) not less than an amount equal to the Federal poverty level for a family of 3 for the calendar year in which the taxable year begins divided by 2,080, or

''(B) provides either a defined benefit plan or a defined contribution plan which fully matches at least 5 percent of each employee's contributions to the plan.''.

(b) ALLOWANCE AS GENERAL BUSINESS CREDIT.—Section 38(b) is amended by striking ''and'' at the end of paragraph (25), by striking the period at the end of paragraph (26) and inserting '', and'', and by adding at the end the following:

''(27) the Patriot employer credit determined under section 45N.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. ___. MODIFICATIONS OF FOREIGN TAX CREDIT RULES APPLICABLE TO DUAL CAPACITY TAXPAYERS.

(a) IN GENERAL.—Section 901 (relating to credit for taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) SPECIAL RULES RELATING TO DUAL CAPACITY TAXPAYERS.—

''(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, any amount paid or accrued by a dual capacity taxpayer to a foreign country or possession of the United States for any period shall not be considered a tax—

''(A) if, for such period, the foreign country or possession does not impose a generally applicable income tax, or

''(B) to the extent such amount exceeds the amount (determined in accordance with regulations) which—

''(i) is paid by such dual capacity taxpayer pursuant to the generally applicable income tax imposed by the country or possession, or

''(ii) would be paid if the generally applicable income tax imposed by the country or possession were applicable to such dual capacity taxpayer.

Nothing in this paragraph shall be construed to imply the proper treatment of any such amount not in excess of the amount determined under subparagraph (B).

''(2) DUAL CAPACITY TAXPAYER.—For purposes of this subsection, the term 'dual capacity taxpayer' means, with respect to any foreign country or possession of the United States, a person who—

''(A) is subject to a levy of such country or possession, and

''(B) receives (or will receive) directly or indirectly a specific economic benefit (as determined in accordance with regulations) from such country or possession.

''(3) GENERALLY APPLICABLE INCOME TAX.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'generally applicable income tax' means an income tax (or a series of income taxes) which is generally imposed under the laws of a foreign country or possession on income derived from the conduct of a trade or business within such country or possession.

''(B) EXCEPTIONS.—Such term shall not include a tax unless it has substantial application, by its terms and in practice, to—

''(i) persons who are not dual capacity taxpayers, and

''(ii) persons who are citizens or residents of the foreign country or possession.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after the date of the enactment of this Act.

(2) CONTRARY TREATY OBLIGATIONS UPHELD.—The amendments made by this section shall not apply to the extent contrary to any treaty obligation of the United States.

SEC. ___. RULES RELATING TO FOREIGN OIL AND GAS INCOME.

(a) SEPARATE BASKET FOR FOREIGN TAX CREDIT.—

(1) SEPARATE BASKET.—

(A) YEARS BEFORE 2007.—Paragraph (1) of section 904(d) (relating to separate application of section with respect to certain categories of income), as in effect for years beginning before 2007, is amended by striking ''and'' at the end of subparagraph (H), by redesignating subparagraph (I) as subparagraph (J), and by inserting after subparagraph (H) the following new subparagraph:

''(I) foreign oil and gas income, and''.

(B) 2007 AND AFTER.—Paragraph (1) of section 904(d), as in effect for years beginning after 2006, is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following:

''(C) foreign oil and gas income.''

(2) DEFINITION.—

(A) YEARS BEFORE 2007.—Paragraph (2) of section 904(d), as in effect for years beginning before 2007, is amended by redesignating subparagraphs (H) and (I) as subparagraphs (I) and (J), respectively, and by inserting after subparagraph (G) the following new subparagraph:

''(H) FOREIGN OIL AND GAS INCOME.—The term 'foreign oil and gas income' has the meaning given such term by section 954(g).''

(B) 2007 AND AFTER.—Section 904(d)(2), as in effect for years after 2006, is amended by redesignating subparagraphs (J) and (K) as subparagraphs (K) and (L) and by inserting after subparagraph (I) the following:

''(J) FOREIGN OIL AND GAS INCOME.—For purposes of this section—

''(i) IN GENERAL.—The term 'foreign oil and gas income' has the meaning given such term by section 954(g).

''(ii) COORDINATION.—Passive category income and general category income shall not include foreign oil and gas income (as so defined).''

(3) CONFORMING AMENDMENTS.—

(A) Section 904(d)(3)(F)(i) is amended by striking ''or (E)'' and inserting ''(E), or (I)''.

(B) Section 907(a) is hereby repealed.

(C) Section 907(c)(4) is hereby repealed.

(D) Section 907(f) is hereby repealed.

(4) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(B) YEARS AFTER 2006.—The amendments made by paragraphs (1)(B) and (2)(B) shall apply to taxable years beginning after December 31, 2006.

(C) TRANSITIONAL RULES.—

(i) SEPARATE BASKET TREATMENT.—Any taxes paid or accrued in a taxable year beginning on or before the date of the enactment of this Act, with respect to income which was described in subparagraph (I) of section 904(d)(1) of such Code (as in effect on the day before the date of the enactment of this Act), shall be treated as taxes paid or accrued with respect to foreign oil and gas income to the extent the taxpayer establishes to the satisfaction of the Secretary of the Treasury that such taxes were paid or accrued with respect to foreign oil and gas income.

(ii) CARRYOVERS.—Any unused oil and gas extraction taxes which under section 907(f) of such Code (as so in effect) would have been allowable as a carryover to the taxpayer's first taxable year beginning after the date of the enactment of this Act (without regard to the limitation of paragraph (2) of such section 907(f) for first taxable year) shall be allowed as carryovers under section 904(c) of such Code in the same manner as if such taxes were unused taxes under such section 904(c) with respect to foreign oil and gas extraction income.

(iii) LOSSES.—The amendment made by paragraph (3)(C) shall not apply to foreign oil and gas extraction losses arising in taxable years beginning on or before the date of the enactment of this Act.

(b) ELIMINATION OF DEFERRAL FOR FOREIGN OIL AND GAS EXTRACTION INCOME.—

(1) GENERAL RULE.—Paragraph (1) of section 954(g) (defining foreign base company oil related income) is amended to read as follows:

''(1) IN GENERAL.—Except as otherwise provided in this subsection, the term 'foreign oil and gas income' means any income of a kind which would be taken into account in determining the amount of—

''(A) foreign oil and gas extraction income (as defined in section 907(c)), or

''(B) foreign oil related income (as defined in section 907(c)).''

(2) CONFORMING AMENDMENTS.—

(A) Subsections (a)(5), (b)(5), and (b)(6) of section 954, and section 952(c)(1)(B)(ii)(I), are each amended by striking ''base company oil related income'' each place it appears (including in the heading of subsection (b)(8)) and inserting ''oil and gas income''.

(B) Subsection (b)(4) of section 954 is amended by striking ''base company oil-related income'' and inserting ''oil and gas income''.

(C) The subsection heading for subsection (g) of section 954 is amended by striking ''FOREIGN BASE COMPANY OIL RELATED INCOME'' and inserting ''FOREIGN OIL AND GAS INCOME''.

(D) Subparagraph (A) of section 954(g)(2) is amended by striking ''foreign base company oil related income'' and inserting ''foreign oil and gas income''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years of foreign corporations beginning after the date of the enactment of this Act, and to taxable years of United States shareholders ending with or within such taxable years of foreign corporations.

SEC. ___. MODIFICATION OF CREDIT FOR PRODUCING FUEL FROM A NONCONVENTIONAL SOURCE.

(a) TAXABLE YEARS ENDING BEFORE 2006.—

(1) MODIFICATION OF PHASEOUT.—

(A) IN GENERAL.—Section 29(b)(1)(A) is amended by inserting ''the calendar year preceding'' before ''the calendar year''.

(B) CONFORMING AMENDMENTS.—Section 29(b)((2) is amended—

(i) by striking ''The'' and inserting ''With respect to any calendar year, the'', and

(ii) by striking ''for the calendar year in which the sale occurs'' and inserting ''for such calendar year''.

(2) NO INFLATION ADJUSTMENT FOR THE CREDIT AMOUNT IN 2005.—Section 29(b)(2), as amended by paragraph (1), is amended by adding at the end the following new sentence: ''This paragraph shall not apply with respect to the $3 amount in subsection (a) for calendar year 2005 and the amount in effect under subsection (a) for sales in such calendar year shall be the amount which was in effect for sales in calendar year 2004.''.

(b) TAXABLE YEARS ENDING AFTER 2005.—

(1) MODIFICATION OF PHASEOUT.—

(A) IN GENERAL.—Section 45K(b)(1)(A) is amended by inserting ''the calendar year preceding'' before ''the calendar year''.

(B) CONFORMING AMENDMENTS.—Section 45K(b)((2) is amended—

(i) by striking ''The'' and inserting ''With respect to any calendar year, the'', and

(ii) by striking ''for the calendar year in which the sale occurs'' and inserting ''for such calendar year''.

(2) NO INFLATION ADJUSTMENT FOR THE CREDIT AMOUNT IN 2005, 2006, AND 2007.—Section 45K(b)(2), as amended by paragraph (1), is amended by adding at the end the following new sentence: ''This paragraph shall not apply with respect to the $3 amount in subsection (a) for calendar years 2005, 2006, and 2007 and the amount in effect under subsection (a) for sales in each such calendar year shall be the amount which was in effect for sales in calendar year 2004.''.

(3) TREATMENT OF COKE AND COKE GAS.—

(A) NONAPPLICATION OF PHASEOUT.—Section 45K(g)(2) is amended by adding at the end the following new subparagraph:

''(D) NONAPPLICATION OF PHASEOUT.—Subsection (b)(1) shall not apply.''.

(B) APPLICATION OF INFLATION ADJUSTMENT.—Section 45K(g)(2)(B) is amended by inserting ''and the last sentence of subsection (b)(2) shall not apply.''.

(C) CLARIFICATION OF QUALIFYING FACILITY.—Section 45K(g)(1) is amended by inserting ''(other than from petroleum based products)'' after ''coke or coke gas''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to fuel sold after December 31, 2004.

SA 2624. Mr. LEAHY (for himself, Mr. BENNETT, Mr. DOMENICI, Mr. SCHUMER, Mr. KENNEDY, Mr. BINGAMAN, Mr. LIEBERMAN, Mr. JOHNSON, Mr. WARNER, Mr. SANTORUM, and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of subtitle A of title III, insert the following:

SEC. ___. CHARITABLE CONTRIBUTIONS OF CERTAIN ITEMS CREATED BY THE TAXPAYER.

(a) IN GENERAL.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property), as amended by section 316(a), is amended by adding at the end the following new paragraph:

''(8) SPECIAL RULE FOR CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL, OR ARTISTIC COMPOSITIONS.—

''(A) IN GENERAL.—In the case of a qualified artistic charitable contribution—

''(i) the amount of such contribution shall be the fair market value of the property contributed (determined at the time of such contribution), and

''(ii) no reduction in the amount of such contribution shall be made under paragraph (1).

''(B) QUALIFIED ARTISTIC CHARITABLE CONTRIBUTION.—For purposes of this paragraph, the term 'qualified artistic charitable contribution' means a charitable contribution of any literary, musical, artistic, or scholarly composition, or similar property, or the copyright thereon (or both), but only if—

''(i) such property was created by the personal efforts of the taxpayer making such contribution no less than 18 months prior to such contribution,

''(ii) the taxpayer—

''(I) has received a qualified appraisal of the fair market value of such property in accordance with the regulations under this section, and

''(II) attaches to the taxpayer's income tax return for the taxable year in which such contribution was made a copy of such appraisal,

''(iii) the donee is an organization described in subsection (b)(1)(A),

''(iv) the use of such property by the donee is related to the purpose or function constituting the basis for the donee's exemption under section 501 (or, in the case of a governmental unit, to any purpose or function described under subsection (c)),

''(v) the taxpayer receives from the donee a written statement representing that the donee's use of the property will be in accordance with the provisions of clause (iv), and

''(vi) the written appraisal referred to in clause (ii) includes evidence of the extent (if any) to which property created by the personal efforts of the taxpayer and of the same type as the donated property is or has been—

''(I) owned, maintained, and displayed by organizations described in subsection (b)(1)(A), and

''(II) sold to or exchanged by persons other than the taxpayer, donee, or any related person (as defined in section 465(b)(3)(C)).

''(C) MAXIMUM DOLLAR LIMITATION; NO CARRYOVER OF INCREASED DEDUCTION.—The increase in the deduction under this section by reason of this paragraph for any taxable year—

''(i) shall not exceed the artistic adjusted gross income of the taxpayer for such taxable year, and

''(ii) shall not be taken into account in determining the amount which may be carried from such taxable year under subsection (d).

''(D) ARTISTIC ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term 'artistic adjusted gross income' means that portion of the adjusted gross income of the taxpayer for the taxable year attributable to—

''(i) income from the sale or use of property created by the personal efforts of the taxpayer which is of the same type as the donated property, and

''(ii) income from teaching, lecturing, performing, or similar activity with respect to property described in clause (i).

''(E) PARAGRAPH NOT TO APPLY TO CERTAIN CONTRIBUTIONS.—Subparagraph (A) shall not apply to any charitable contribution of any letter, memorandum, or similar property which was written, prepared, or produced by or for an individual while the individual is an officer or employee of any person (including any government agency or instrumentality) unless such letter, memorandum, or similar property is entirely personal.

''(F) COPYRIGHT TREATED AS SEPARATE PROPERTY FOR PARTIAL INTEREST RULE.—In the case of a qualified artistic charitable contribution, the tangible literary, musical, artistic, or scholarly composition, or similar property and the copyright on such work shall be treated as separate properties for purposes of this paragraph and subsection (f)(3).''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after the date of the enactment of this Act in taxable years ending after such date.

SA 2625. Mr. NELSON of Nebraska (for himself, Mr. DEWINE, and Ms. COLLINS) proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV, insert the following:

SEC. ___. DISABILITY PREFERENCE PROGRAM FOR TAX COLLECTION CONTRACTS.

(a) IN GENERAL.—The Secretary of the Treasury shall not enter into any qualified tax collection contract after April 1, 2006, until the Secretary implements a disability preference program that meets the requirements of subsection (b).

(b) DISABILITY PREFERENCE PROGRAM REQUIREMENTS.—

(1) IN GENERAL.—A disability preference program meets the requirements of this subsection if such program requires that not less than 10 percent of the accounts of each dollar value category are awarded to persons described in paragraph (2).

(2) PERSON DESCRIBED.—For purposes of paragraph (1), a person is described in this paragraph if—

(A) as of the date any qualified tax collection contract is awarded—

(i) such person employs not less than 50 severely disabled individuals within the United States; or

(ii) not less than 30 percent of the employees of such person within the United States are severely disabled individuals;

(B) such person agrees as a condition of the qualified tax collection contract that not more than 90 days after the date such contract is awarded, not less than 35 percent of the employees of such person employed in connection with providing services under such contract shall—

(i) be hired after the date such contract is awarded; and

(ii) be severely disabled individuals; and

(C) such person is otherwise qualified to perform the services required.

(c) DEFINITIONS.—For purposes of this section—

(1) QUALIFIED TAX COLLECTION CONTRACT.—The term ''qualified tax collection contract'' shall have the meaning given such term under section 6306(b) of the Internal Revenue Code of 1986.

(2) DOLLAR VALUE CATEGORY.—The term ''dollar value category'' means the dollar ranges of accounts for collection as determined and assigned by the Secretary under section 6306(b)(1)(B) of the Internal Revenue Code of 1986 with respect to a qualified tax collection contract.

(3) SEVERELY DISABLED INDIVIDUAL.—The term ''severely disabled individual'' means—

(A) a veteran of the United States armed forces with a disability of 50 percent or greater—

(i) determined by the Secretary of Veterans Affairs to be service-connected; or

(ii) deemed by law to be service-connected; or

(B) any individual who is a disabled beneficiary (as defined in section 1148(k)(2) of the Social Security Act (42 U.S.C. 1320b–19(k)(2))) or who would be considered to be such a disabled beneficiary but for having income or resources in excess of the income or resources eligibility limits established under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.), respectively.

SA 2626. Mr. REED (for himself, Mr. KENNEDY, Mr. SCHUMER, Mr. KOHL, Mr. ROCKEFELLER, Mr. KERRY, Mr. CARPER, Mr. LEAHY, Mr. DAYTON, Mr. LIEBERMAN, and Ms. STABENOW) proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV add the following:

SEC. 410. TEMPORARY WINDFALL PROFITS TAX.

(a) IN GENERAL.—Subtitle E of the Internal Revenue Code of 1986 (relating to alcohol, tobacco, and certain other excise taxes) is amended by adding at the end thereof the following new chapter:

''CHAPTER 56—TEMPORARY WINDFALL PROFITS ON CRUDE OIL

''Sec. 5896. Imposition of tax.
''Sec. 5897. Windfall profit; etc.
''Sec. 5898. Special rules and definitions.

''SEC. 5896. IMPOSITION OF TAX.

''(a) IN GENERAL.—In addition to any other tax imposed under this title, there is hereby imposed on any applicable taxpayer an excise tax in an amount equal to the applicable percentage of the windfall profit of such taxpayer for any taxable year beginning in 2005.

''(b) APPLICABLE TAXPAYER.—For purposes of this chapter, the term 'applicable taxpayer' means, with respect to operations in the United States—

''(1) any integrated oil company (as defined in section 291(b)(4)) which has an average daily worldwide production of crude oil of at least 500,000 barrels for the taxable year.

''(c) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage shall be determined by the Secretary such that the resulting increase in

revenues in the Treasury equals $2,920,000,000.

"SEC. 5897. WINDFALL PROFIT; ETC.

''(a) GENERAL RULE.—For purposes of this chapter, the term 'windfall profit' means the excess of the adjusted taxable income of the applicable taxpayer for the taxable year over the reasonably inflated average profit for such taxable year.

''(b) ADJUSTED TAXABLE INCOME.—For purposes of this chapter, with respect to any applicable taxpayer, the adjusted taxable income for any taxable year is equal to the taxable income for such taxable year (within the meaning of section 63 and determined without regard to this subsection)—

''(1) increased by any interest expense deduction, charitable contribution deduction, and any net operating loss deduction carried forward from any prior taxable year, and

''(2) reduced by any interest income, dividend income, and net operating losses to the extent such losses exceed taxable income for the taxable year.

In the case of any applicable taxpayer which is a foreign corporation, the adjusted taxable income shall be determined with respect to such income which is effectively connected with the conduct of a trade or business in the United States.

''(c) REASONABLY INFLATED AVERAGE PROFIT.—For purposes of this chapter, with respect to any applicable taxpayer, the reasonably inflated average profit for any taxable year is an amount equal to the average of the adjusted taxable income of such taxpayer for taxable years beginning during the 2000-2004 taxable year period (determined without regard to the taxable year with the highest adjusted taxable income in such period) plus 10 percent of such average.

"SEC. 5898. SPECIAL RULES AND DEFINITIONS .

''(a) WITHHOLDING AND DEPOSIT OF TAX.—The Secretary shall provide such rules as are necessary for the withholding and deposit of the tax imposed under section 5896.

''(b) RECORDS AND INFORMATION.—Each taxpayer liable for tax under section 5896 shall keep such records, make such returns, and furnish such information as the Secretary may by regulations prescribe.

''(c) RETURN OF WINDFALL PROFIT TAX.—The Secretary shall provide for the filing and the time of such filing of the return of the tax imposed under section 5896.

''(d) CRUDE OIL.—The term 'crude oil' includes crude oil condensates and natural gasoline.

''(e) BUSINESSES UNDER COMMON CONTROL.—For purposes of this chapter, all members of the same controlled group of corporations (within the meaning of section 267(f)) and all persons under common control (within the meaning of section 52(b) but determined by treating an interest of more than 50 percent as a controlling interest) shall be treated as 1 person.

''(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this chapter.''.

(b) CLERICAL AMENDMENT.—The table of chapters for subtitle E of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''CHAPTER 56. Temporary Windfall Profits on Crude Oil.''.

(c) DEDUCTIBILITY OF WINDFALL PROFIT TAX.—The first sentence of section 164(a) of the Internal Revenue Code of 1986 (relating to deduction for taxes) is amended by inserting after paragraph (5) the following new paragraph:

''(6) The windfall profit tax imposed by section 5896.''.

(d) LOW INCOME HOME ENERGY ASSISTANCE TRUST FUND.—

(1) IN GENERAL.—Subchapter A of chapter 98 of the Internal Revenue Code of 1986 (relating to trust fund code) is amended by adding at the end the following new section:

"SEC. 9511. LOW-INCOME HOME ENERGY ASSISTANCE TRUST FUND.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Low-Income Home Energy Assistance Trust Fund', consisting of any amount appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

''(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Low-Income Home Energy Assistance Trust Fund amounts equivalent to the increased revenues received in the Treasury as the result of the amendment made by section 410(a) of the Tax Relief Act of 2005.

''(c) EXPENDITURES FROM TRUST FUND.—Amounts in the Low Income Home Energy Assistance Trust Fund not to exceed $2,920,000,000 shall be available for fiscal year 2006, as provided by appropriation Acts, to carry out the program under the Low-Income Home Energy Assistance Act of 1981 through the distribution of funds to all the States in accordance with section 2604 of that Act (42 U.S.C. 8623) (other than subsection (e) of such section), but only if not less than $1,880,000,000 has been appropriated for such program for such fiscal year.''.

(2) CLERICAL AMENDMENT.—The table of sections for such subchapter is amended by adding at the end the following new item:

''Sec. 9511. Low-Income Home Energy Assistance Trust Fund.''.

(e) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years beginning in 2005.

(2) SUBSECTION (d).—The amendments made by subsection (d) shall take effect on the date of the enactment of this Act.

SA 2627. Mr. GRAHAM submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

SEC. ____. CLARIFICATION OF WORKING CAPITAL FOR REASONABLY ANTICIPATED NEEDS OF A BUSINESS FOR PURPOSES OF ACCUMULATED EARNINGS TAX.

(a) IN GENERAL.—Section 537(b) (relating to special rules) is amended by adding at the end the following new paragraph:

''(6) WORKING CAPITAL.—The reasonably anticipated needs of a business for any taxable year shall include working capital for the business in an amount which is not less than the sum of the costs of goods, operating expenses, taxes, and interest expense which the business incurred during the preceding taxable year. Any amounts incurred as part of a plan a principal purposes of which is to increase the limitation under this subsection shall not be taken into account.''

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 3005, and before January 1, 2011.

SA 2628. Mr. LEVIN (for himself, Mr. COLEMAN, and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of subtitle A of title V, add the following:

SEC. 504. PENALTY FOR PROMOTING ABUSIVE TAX SHELTERS.

(a) PENALTY FOR PROMOTING ABUSIVE TAX SHELTERS.—Section 6700 (relating to promoting abusive tax shelters, etc.) is amended—

(1) by redesignating subsections (b) and (c) as subsections (d) and (e), respectively,

(2) by striking ''a penalty'' and all that follows through the period in the first sentence of subsection (a) and inserting ''a penalty determined under subsection (b)'', and

(3) by inserting after subsection (a) the following new subsections:

''(b) AMOUNT OF PENALTY; CALCULATION OF PENALTY; LIABILITY FOR PENALTY.—

''(1) AMOUNT OF PENALTY.—The amount of the penalty imposed by subsection (a) shall not exceed the greater of—

''(A) 150 percent of the gross income derived (or to be derived) from such activity by the person or persons subject to such penalty, and

''(B) if readily subject to calculation, the total amount of underpayment by the taxpayer (including penalties, interest, and taxes) in connection with such activity.

''(2) CALCULATION OF PENALTY.—The penalty amount determined under paragraph (1) shall be calculated with respect to each instance of an activity described in subsection (a), each instance in which income was derived by the person or persons subject to such penalty, and each person who participated in such an activity.

''(3) LIABILITY FOR PENALTY.—If more than 1 person is liable under subsection (a) with respect to such activity, all such persons shall be jointly and severally liable for the penalty under such subsection.

''(c) PENALTY NOT DEDUCTIBLE.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.''.

(b) CONFORMING AMENDMENT.—Section 6700(a) is amended by striking the last sentence.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to activities after the date of the enactment of this Act.

SEC. 505. PENALTY FOR AIDING AND ABETTING THE UNDERSTATEMENT OF TAX LIABILITY.

(a) IN GENERAL.—Section 6701(a) (relating to imposition of penalty) is amended—

(1) by striking ''preparation or presentation of'' and inserting ''tax liability reflected in'' in paragraph (1),

(2) by inserting ''aid, assistance, procurement, or advice with respect to such'' before ''portion'' both places it appears in paragraphs (2) and (3), and

(3) by inserting ''instance of aid, assistance, procurement, or advice or each such'' before ''document'' in the matter following paragraph (3).

(b) AMOUNT OF PENALTY.—Subsection (b) of section 6701 (relating to penalties for aiding and abetting understatement of tax liability) is amended to read as follows:

''(b) AMOUNT OF PENALTY; CALCULATION OF PENALTY; LIABILITY FOR PENALTY.—

''(1) AMOUNT OF PENALTY.—The amount of the penalty imposed by subsection (a) shall not exceed the greater of—

''(A) 150 percent of the gross income derived (or to be derived) from such aid, assistance, procurement, or advice provided by the

person or persons subject to such penalty, and

''(B) if readily subject to calculation, the total amount of underpayment by the taxpayer (including penalties, interest, and taxes) in connection with the understatement of the liability for tax.

''(2) CALCULATION OF PENALTY.—The penalty amount determined under paragraph (1) shall be calculated with respect to each instance of aid, assistance, procurement, or advice described in subsection (a), each instance in which income was derived by the person or persons subject to such penalty, and each person who made such an understatement of the liability for tax.

''(3) LIABILITY FOR PENALTY.—If more than 1 person is liable under subsection (a) with respect to providing such aid, assistance, procurement, or advice, all such persons shall be jointly and severally liable for the penalty under such subsection.''.

(c) PENALTY NOT DEDUCTIBLE.—Section 6701 is amended by adding at the end the following new subsection:

''(g) PENALTY NOT DEDUCTIBLE.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to activities after the date of the enactment of this Act.

SEC. 506. PREVENTING TAX SHELTER ACTIVITIES BY FINANCIAL INSTITUTIONS.

(a) EXAMINATIONS.—

(1) DEVELOPMENT OF EXAMINATION TECHNIQUES.—Each of the Federal banking agencies and the Commission shall, in consultation with the Internal Revenue Service, develop examination techniques to detect potential violations of section 6700 or 6701 of the Internal Revenue Code of 1986, by depository institutions, brokers, dealers, and investment advisers, as appropriate.

(2) FREQUENCY.—Not less frequently than once in each 2-year period, each of the Federal banking agencies and the Commission shall implement the examination techniques developed under paragraph (1) with respect to each of the depository institutions, brokers, dealers, or investment advisers subject to their enforcement authority. Such examination shall, to the extent possible, be combined with any examination by such agency otherwise required or authorized by Federal law.

(b) REPORT TO INTERNAL REVENUE SERVICE.—In any case in which an examination conducted under this section with respect to a financial institution or other entity reveals a potential violation, such agency shall promptly notify the Internal Revenue Service of such potential violation for investigation and enforcement by the Internal Revenue Service in accordance with applicable provisions of law.

(c) REPORT TO CONGRESS.—The Federal banking agencies and the Commission shall submit a joint written report to Congress in 2007 and 2010 on their progress in preventing violations of sections 6700 and 6701 of the Internal Revenue Code of 1986, by depository institutions, brokers, dealers, and investment advisers, as appropriate.

(d) DEFINITIONS.—For purposes of this section—

(1) the terms ''broker'', ''dealer'', and ''investment adviser'' have the same meanings as in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c);

(2) the term ''Commission'' means the Securities and Exchange Commission;

(3) the term ''depository institution'' has the same meaning as in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

(4) the term ''Federal banking agencies'' has the same meaning as in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q)); and

(5) the term ''Secretary'' means the Secretary of the Treasury.

SEC. 507. INFORMATION SHARING FOR ENFORCEMENT PURPOSES.

(a) PROMOTION OF PROHIBITED TAX SHELTERS OR TAX AVOIDANCE SCHEMES.—Section 6103(h) (relating to disclosure to certain Federal officers and employees for purposes of tax administration, etc.) is amended by adding at the end the following new paragraph:

''(7) DISCLOSURE OF RETURNS AND RETURN INFORMATION RELATED TO PROMOTION OF PROHIBITED TAX SHELTERS OR TAX AVOIDANCE SCHEMES.—

''(A) WRITTEN REQUEST.—Upon receipt by the Secretary of a written request which meets the requirements of subparagraph (B) from the head of the United States Securities and Exchange Commission, an appropriate Federal banking agency as defined under section 1813(q) of title 12, United States Code, or the Public Company Accounting Oversight Board, a return or return information shall be disclosed to such requestor's officers and employees who are personally and directly engaged in an investigation, examination, or proceeding by such requestor to evaluate, determine, penalize, or deter conduct by a financial institution, issuer, or public accounting firm, or associated person, in connection with a potential or actual violation of section 6700 (promotion of abusive tax shelters), 6701 (aiding and abetting understatement of tax liability), or activities related to promoting or facilitating inappropriate tax avoidance or tax evasion. Such disclosure shall be solely for use by such officers and employees in such investigation, examination, or proceeding.

''(B) REQUIREMENTS.—A request meets the requirements of this subparagraph if it sets forth—

''(i) the nature of the investigation, examination, or proceeding,

''(ii) the statutory authority under which such investigation, examination, or proceeding is being conducted,

''(iii) the name or names of the financial institution, issuer, or public accounting firm to which such return information relates,

''(iv) the taxable period or periods to which such return information relates, and

''(v) the specific reason or reasons why such disclosure is, or may be, relevant to such investigation, examination or proceeding.

''(C) FINANCIAL INSTITUTION.—For the purposes of this paragraph, the term 'financial institution' means a depository institution, foreign bank, insured institution, industrial loan company, broker, dealer, investment company, investment advisor, or other entity subject to regulation or oversight by the United States Securities and Exchange Commission or an appropriate Federal banking agency.''.

(b) FINANCIAL AND ACCOUNTING FRAUD INVESTIGATIONS.—Section 6103(i) (relating to disclosure to Federal officers or employees for administration of Federal laws not relating to tax administration) is amended by adding at the end the following new paragraph:

''(9) DISCLOSURE OF RETURNS AND RETURN INFORMATION FOR USE IN FINANCIAL AND ACCOUNTING FRAUD INVESTIGATIONS.—

''(A) WRITTEN REQUEST.—Upon receipt by the Secretary of a written request which meets the requirements of subparagraph (B) from the head of the United States Securities and Exchange Commission or the Public Company Accounting Oversight Board, a return or return information shall be disclosed to such requestor's officers and employees who are personally and directly engaged in an investigation, examination, or proceeding by such requester to evaluate the accuracy of a financial statement or report or to determine whether to require a restatement, penalize, or deter conduct by an issuer, investment company, or public accounting firm, or associated person, in connection with a potential or actual violation of auditing standards or prohibitions against false or misleading statements or omissions in financial statements or reports. Such disclosure shall be solely for use by such officers and employees in such investigation, examination, or proceeding.

''(B) REQUIREMENTS.—A request meets the requirements of this subparagraph if it sets forth—

''(i) the nature of the investigation, examination, or proceeding,

''(ii) the statutory authority under which such investigation, examination, or proceeding is being conducted,

''(iii) the name or names of the issuer, investment company, or public accounting firm to which such return information relates,

''(iv) the taxable period or periods to which such return information relates, and

''(v) the specific reason or reasons why such disclosure is, or may be, relevant to such investigation, examination or proceeding.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to disclosures and to information and document requests made after the date of the enactment of this Act.

SEC. 508. DISCLOSING PAYMENTS TO PERSONS IN UNCOOPERATIVE TAX HAVENS.

(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 is amended by inserting after section 6038C the following new section:

''SEC. 6038D. DETERRING UNCOOPERATIVE TAX HAVENS THROUGH LISTING AND REPORTING REQUIREMENTS.

''(a) IN GENERAL.—Each United States person who transfers money or other property directly or indirectly to any uncooperative tax haven, to any financial institution licensed by or operating in any uncooperative tax haven, or to any person who is a resident of any uncooperative tax haven shall furnish to the Secretary, at such time and in such manner as the Secretary shall by regulation prescribe, such information with respect to such transfer as the Secretary may require.

''(b) EXCEPTIONS.—Subsection (a) shall not apply to a transfer by a United States person if the amount of money (and the fair market value of property) transferred is less than $10,000. Related transfers shall be treated as 1 transfer for purposes of this subsection.

''(c) UNCOOPERATIVE TAX HAVEN.—For purposes of this section—

''(1) IN GENERAL.—The term 'uncooperative tax haven' means any foreign jurisdiction which is identified on a list maintained by the Secretary under paragraph (2) as being a jurisdiction—

''(A) which imposes no or nominal taxation either generally or on specified classes of income, and

''(B) has corporate, business, bank, or tax secrecy or confidentiality rules and practices, or has ineffective information exchange practices which, in the judgment of the Secretary, effectively limit or restrict the ability of the United States to obtain information relevant to the enforcement of this title.

''(2) MAINTENANCE OF LIST.—Not later than November 1 of each calendar year, the Secretary shall issue a list of foreign jurisdictions which the Secretary determines qualify

as uncooperative tax havens under paragraph (1).

''(3) INEFFECTIVE INFORMATION EXCHANGE PRACTICES.—For purposes of paragraph (1), a jurisdiction shall be deemed to have ineffective information exchange practices if the Secretary determines that during any taxable year ending in the 12-month period preceding the issuance of the list under paragraph (2)—

''(A) the exchange of information between the United States and such jurisdiction was inadequate to prevent evasion or avoidance of United States income tax by United States persons or to enable the United States effectively to enforce this title, or

''(B) such jurisdiction was identified by an intergovernmental group or organization of which the United States is a member as uncooperative with international tax enforcement or information exchange and the United States concurs in the determination.

''(d) PENALTY FOR FAILURE TO FILE INFORMATION.—If a United States person fails to furnish the information required by subsection (a) with respect to any transfer within the time prescribed therefor (including extensions), such United States person shall pay (upon notice and demand by the Secretary and in the same manner as tax) an amount equal to 20 percent of the amount of such transfer.

''(e) SIMPLIFIED REPORTING.—The Secretary may by regulations provide for simplified reporting under this section for United States persons making large volumes of similar payments.

''(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections for such subpart A is amended by inserting after the item relating to section 6038C the following new item:

''Sec. 6038D. Deterring uncooperative tax havens through listing and reporting requirements.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to transfers after the date which is 180 days after the date of the enactment of this Act.

SEC. 509. DETERRING UNCOOPERATIVE TAX HAVENS BY RESTRICTING ALLOWABLE TAX BENEFITS.

(a) LIMITATION ON DEFERRAL.—

(1) IN GENERAL.—Subsection (a) of section 952 (defining subpart F income) is amended by striking ''and'' at the end of paragraph (4), by striking the period at the end of paragraph (5) and inserting '', and'', and by inserting after paragraph (5) the following new paragraph:

''(6) an amount equal to the applicable fraction (as defined in subsection (e)) of the income of such corporation other than income which—

''(A) is attributable to earnings and profits of the foreign corporation included in the gross income of a United States person under section 951 (other than by reason of this paragraph or paragraph (3)(A)(i)), or

''(B) is described in subsection (b).''.

(2) APPLICABLE FRACTION.—Section 952 is amended by adding at the end the following new subsection:

''(e) IDENTIFIED TAX HAVEN INCOME WHICH IS SUBPART F INCOME.—

''(1) IN GENERAL.—For purposes of subsection (a)(6), the term 'applicable fraction' means the fraction—

''(A) the numerator of which is the aggregate identified tax haven income for the taxable year, and

''(B) the denominator of which is the aggregate income for the taxable year which is from sources outside the United States.

''(2) IDENTIFIED TAX HAVEN INCOME.—For purposes of paragraph (1), the term 'identified tax haven income' means income for the taxable year which is attributable to a foreign jurisdiction for any period during which such jurisdiction has been identified as an uncooperative tax haven under section 6038D(c).

''(3) REGULATIONS.—The Secretary shall prescribe regulations similar to the regulations issued under section 999(c) to carry out the purposes of this subsection.''.

(b) DENIAL OF FOREIGN TAX CREDIT.—Section 901 (relating to taxes of foreign countries and of possessions of United States) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) REDUCTION OF FOREIGN TAX CREDIT, ETC., FOR IDENTIFIED TAX HAVEN INCOME.—

''(1) IN GENERAL.—Notwithstanding any other provision of this part—

''(A) no credit shall be allowed under subsection (a) for any income, war profits, or excess profits taxes paid or accrued (or deemed paid under section 902 or 960) to any foreign jurisdiction if such taxes are with respect to income attributable to a period during which such jurisdiction has been identified as an uncooperative tax haven under section 6038D(c), and

''(B) subsections (a), (b), (c), and (d) of section 904 and sections 902 and 960 shall be applied separately with respect to all income of a taxpayer attributable to periods described in subparagraph (A) with respect to all such jurisdictions.

''(2) TAXES ALLOWED AS A DEDUCTION, ETC.—Sections 275 and 78 shall not apply to any tax which is not allowable as a credit under subsection (a) by reason of this subsection.

''(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this subsection, including regulations which treat income paid through 1 or more entities as derived from a foreign jurisdiction to which this subsection applies if such income was, without regard to such entities, derived from such jurisdiction.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SA 2629. Mr. DAYTON (for himself and Mr. SALAZAR) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

On page 235, between lines 13 and 14, insert the following:

SEC. ___. REFUNDABLE TAX CREDIT FOR ENERGY COST ASSISTANCE OF FARMERS AND RANCHERS.

(a) IN GENERAL.—Subpart C of part IV of subchapter A of chapter 1 (relating to refundable credits) is amended by redesignating section 36 as section 37 and by inserting after section 35 the following new section:

''SEC. 36. CREDIT FOR ENERGY COST ASSISTANCE FOR FARMERS AND RANCHERS.

''(a) GENERAL RULE.—In the case of an eligible taxpayer, there shall be allowed as a credit against the tax imposed by this subtitle for the taxable year an amount equal to the lesser of—

''(1) 30 percent of the amount paid or incurred for qualified energy costs, or

''(2) $3,000.

''(b) ELIGIBLE TAXPAYER.—For purposes of this section, the term 'eligible taxpayer' means any individual engaged in a farming business (as defined in section 263A(e)(4)).

''(c) RESIDENTIAL ENERGY COSTS.—For purposes of this section, the term 'qualified energy costs' means the cost of any fuel, energy utility, natural gas, fertilizer, and heating oil used in the farming business of the taxpayer during the taxable year.

''(d) TERMINATION.—This section shall not apply to qualified energy costs paid or incurred after December 31, 2005.''.

(b) NO DOUBLE BENEFIT.—Section 280C is amended by adding at the end the following new subsection:

''(e) ENERGY ASSISTANCE FOR FARMERS AND RANCHERS.—No deduction shall be allowed for that portion of the expenses otherwise allowable as a deduction for the taxable year which is equal to the amount of the credit determined under section 36(a).''.

(c) REFUNDABILITY.—Section 1324(b)(2) of title 31, United States Code, is amended by striking ''or'' before ''enacted'' and by inserting before the period at the end '', or from section 36 of such Code''.

(d) CLERICAL AMENDMENTS.—The table of sections for subpart C of part IV of subchapter A of chapter 1 is amended by striking the item relating to section 35 and by adding at the end the following new items:

''Sec. 36. Credit for energy cost assistance for farmers and ranchers.

''Sec. 37. Overpayments of tax.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

SEC. _____. MODIFICATIONS OF FOREIGN TAX CREDIT RULES APPLICABLE TO DUAL CAPACITY TAXPAYERS.

(a) IN GENERAL.—Section 901 (relating to credit for taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) SPECIAL RULES RELATING TO DUAL CAPACITY TAXPAYERS.—

''(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, any amount paid or accrued by a dual capacity taxpayer to a foreign country or possession of the United States for any period shall not be considered a tax—

''(A) if, for such period, the foreign country or possession does not impose a generally applicable income tax, or

''(B) to the extent such amount exceeds the amount (determined in accordance with regulations) which—

''(i) is paid by such dual capacity taxpayer pursuant to the generally applicable income tax imposed by the country or possession, or

''(ii) would be paid if the generally applicable income tax imposed by the country or possession were applicable to such dual capacity taxpayer.

Nothing in this paragraph shall be construed to imply the proper treatment of any such amount not in excess of the amount determined under subparagraph (B).

''(2) DUAL CAPACITY TAXPAYER.—For purposes of this subsection, the term 'dual capacity taxpayer' means, with respect to any foreign country or possession of the United States, a person who—

''(A) is subject to a levy of such country or possession, and

''(B) receives (or will receive) directly or indirectly a specific economic benefit (as determined in accordance with regulations) from such country or possession.

''(3) GENERALLY APPLICABLE INCOME TAX.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'generally applicable income tax' means an income tax (or a series of income taxes) which is generally imposed under the laws of a foreign country or possession on income derived from the conduct of a trade or business within such country or possession.

''(B) EXCEPTIONS.—Such term shall not include a tax unless it has substantial application, by its terms and in practice, to—

''(i) persons who are not dual capacity taxpayers, and

''(ii) persons who are citizens or residents of the foreign country or possession.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after the date of the enactment of this Act.

(2) CONTRARY TREATY OBLIGATIONS UPHELD.—The amendments made by this section shall not apply to the extent contrary to any treaty obligation of the United States.

SA 2630. Mr. SCHUMER (for himself and Mr. WYDEN) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title V, add the following:

SEC. ____. MODIFICATIONS OF FOREIGN TAX CREDIT RULES APPLICABLE TO DUAL CAPACITY TAXPAYERS.

(a) IN GENERAL.—Section 901 (relating to credit for taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) SPECIAL RULES RELATING TO DUAL CAPACITY TAXPAYERS.—

''(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, any amount paid or accrued by a dual capacity taxpayer to a foreign country or possession of the United States for any period shall not be considered a tax—

''(A) if, for such period, the foreign country or possession does not impose a generally applicable income tax, or

''(B) to the extent such amount exceeds the amount (determined in accordance with regulations) which—

''(i) is paid by such dual capacity taxpayer pursuant to the generally applicable income tax imposed by the country or possession, or

''(ii) would be paid if the generally applicable income tax imposed by the country or possession were applicable to such dual capacity taxpayer.

Nothing in this paragraph shall be construed to imply the proper treatment of any such amount not in excess of the amount determined under subparagraph (B).

''(2) DUAL CAPACITY TAXPAYER.—For purposes of this subsection, the term 'dual capacity taxpayer' means, with respect to any foreign country or possession of the United States, a person who—

''(A) is subject to a levy of such country or possession, and

''(B) receives (or will receive) directly or indirectly a specific economic benefit (as determined in accordance with regulations) from such country or possession.

''(3) GENERALLY APPLICABLE INCOME TAX.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'generally applicable income tax' means an income tax (or a series of income taxes) which is generally imposed under the laws of a foreign country or possession on income derived from the conduct of a trade or business within such country or possession.

''(B) EXCEPTIONS.—Such term shall not include a tax unless it has substantial application, by its terms and in practice, to—

''(i) persons who are not dual capacity taxpayers, and

''(ii) persons who are citizens or residents of the foreign country or possession.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after the date of the enactment of this Act.

(2) CONTRARY TREATY OBLIGATIONS UPHELD.—The amendments made by this section shall not apply to the extent contrary to any treaty obligation of the United States.

SEC. ____. RULES RELATING TO FOREIGN OIL AND GAS INCOME.

(a) SEPARATE BASKET FOR FOREIGN TAX CREDIT.—

(1) YEARS BEFORE 2007.—Paragraph (1) of section 904(d) (relating to separate application of section with respect to certain categories of income), as in effect for years beginning before 2007, is amended by striking ''and'' at the end of subparagraph (H), by redesignating subparagraph (I) as subparagraph (J), and by inserting after subparagraph (H) the following new subparagraph:

''(I) foreign oil and gas income, and''.

(2) 2007 AND AFTER.—Paragraph (1) of section 904(d), as in effect for years beginning after 2006, is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following:

''(C) foreign oil and gas income.''

(b) DEFINITION.—

(1) YEARS BEFORE 2007.—Paragraph (2) of section 904(d), as in effect for years beginning before 2007, is amended by redesignating subparagraphs (H) and (I) as subparagraphs (I) and (J), respectively, and by inserting after subparagraph (G) the following new subparagraph:

''(H) FOREIGN OIL AND GAS INCOME.—The term 'foreign oil and gas income' has the meaning given such term by section 954(g).''

(2) 2007 AND AFTER.—Section 904(d)(2), as in effect for years after 2006, is amended by redesignating subparagraphs (J) and (K) as subparagraphs (K) and (L) and by inserting after subparagraph (I) the following:

''(J) FOREIGN OIL AND GAS INCOME.—For purposes of this section—

''(i) IN GENERAL.—The term 'foreign oil and gas income' has the meaning given such term by section 954(g).

''(ii) COORDINATION.—Passive category income and general category income shall not include foreign oil and gas income (as so defined).''

(c) CONFORMING AMENDMENTS.—

(1) Section 904(d)(3)(F)(i) is amended by striking ''or (E)'' and inserting ''(E), or (I)''.

(2) Section 907(a) is hereby repealed.

(3) Section 907(c)(4) is hereby repealed.

(4) Section 907(f) is hereby repealed.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(2) YEARS AFTER 2006.—The amendments made by paragraphs (1)(B) and (2)(B) shall apply to taxable years beginning after December 31, 2006.

(3) TRANSITIONAL RULES.—

(A) SEPARATE BASKET TREATMENT.—Any taxes paid or accrued in a taxable year beginning on or before the date of the enactment of this Act, with respect to income which was described in subparagraph (I) of section 904(d)(1) of such Code (as in effect on the day before the date of the enactment of this Act), shall be treated as taxes paid or accrued with respect to foreign oil and gas income to the extent the taxpayer establishes to the satisfaction of the Secretary of the Treasury that such taxes were paid or accrued with respect to foreign oil and gas income.

(B) CARRYOVERS.—Any unused oil and gas extraction taxes which under section 907(f) of such Code (as so in effect) would have been allowable as a carryover to the taxpayer's first taxable year beginning after the date of the enactment of this Act (without regard to the limitation of paragraph (2) of such section 907(f) for first taxable year) shall be allowed as carryovers under section 904(c) of such Code in the same manner as if such taxes were unused taxes under such section 904(c) with respect to foreign oil and gas extraction income.

(C) LOSSES.—The amendment made by subsection (c)(3) shall not apply to foreign oil and gas extraction losses arising in taxable years beginning on or before the date of the enactment of this Act.

SA 2631. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

Subtitle B—Hope at Home

SEC. 411. READY RESERVE-NATIONAL GUARD EMPLOYEE CREDIT ADDED TO GENERAL BUSINESS CREDIT.

(a) READY RESERVE-NATIONAL GUARD CREDIT.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits) is amended by adding at the end the following:

''SEC. 45N. READY RESERVE-NATIONAL GUARD EMPLOYEE CREDIT.

''(a) GENERAL RULE.—For purposes of section 38, the Ready Reserve-National Guard employee credit determined under this section for any taxable year is an amount equal to 50 percent of the actual compensation amount for such taxable year.

''(b) DEFINITION OF ACTUAL COMPENSATION AMOUNT.—For purposes of this section, the term 'actual compensation amount' means the amount of compensation paid or incurred by an employer with respect to a Ready Reserve-National Guard employee on any day during a taxable year when the employee was absent from employment for the purpose of performing qualified active duty.

''(c) LIMITATION.—No credit shall be allowed with respect to a Ready Reserve-National Guard employee who performs qualified active duty on any day on which the employee was not scheduled to work (for reason other than to participate in qualified active duty).

''(d) DEFINITIONS.—For purposes of this section—

''(1) QUALIFIED ACTIVE DUTY.—The term 'qualified active duty' means—

''(A) active duty, other than the training duty specified in section 10147 of title 10, United States Code (relating to training requirements for the Ready Reserve), or section 502(a) of title 32, United States Code (relating to required drills and field exercises for the National Guard), in connection with which an employee is entitled to reemployment rights and other benefits or to a leave of absence from employment under chapter 43 of title 38, United States Code, and

''(B) hospitalization incident to such duty.

''(2) COMPENSATION.—The term 'compensation' means any remuneration for employment, whether in cash or in kind, which is paid or incurred by a taxpayer and which is deductible from the taxpayer's gross income under section 162(a)(1).

''(3) READY RESERVE-NATIONAL GUARD EMPLOYEE.—The term 'Ready Reserve-National

Guard employee' means an employee who is a member of the Ready Reserve of a reserve component of an Armed Force of the United States as described in sections 10142 and 10101 of title 10, United States Code.

''(4) CERTAIN RULES TO APPLY.—Rules similar to the rules of section 52 shall apply.

''(e) PORTION OF CREDIT MADE REFUNDABLE.—

''(1) IN GENERAL.—In the case of an eligible employer of a Ready Reserve-National Guard employee, the aggregate credits allowed to a taxpayer under subpart C shall be increased by the lesser of—

''(A) the credit which would be allowed under this section without regard to this subsection and the limitation under section 38(c), or

''(B) the amount by which the aggregate amount of credits allowed by this subpart (determined without regard to this subsection) would increase if the limitation imposed by section 38(c) for any taxable year were increased by the amount of employer payroll taxes imposed on the taxpayer during the calendar year in which the taxable year begins.

The amount of the credit allowed under this subsection shall not be treated as a credit allowed under this subpart and shall reduce the amount of the credit otherwise allowable under subsection (a) without regard to section 38(c).

''(2) ELIGIBLE EMPLOYER.—For purposes of this subsection, the term 'eligible employer' means an employer which is a State or local government or subdivision thereof.

''(3) EMPLOYER PAYROLL TAXES.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'employer payroll taxes' means the taxes imposed by—

''(i) section 3111(b), and

''(ii) sections 3211(a) and 3221(a) (determined at a rate equal to the rate under section 3111(b)).

''(B) SPECIAL RULE.—A rule similar to the rule of section 24(d)(2)(C) shall apply for purposes of subparagraph (A).''.

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (relating to current year business credit) is amended by striking ''and'' at the end of paragraph (25), by striking the period at the end of paragraph (26) and inserting '', and'', and by adding at the end the following:

''(27) the Ready Reserve-National Guard employee credit determined under section 45N(a).''.

(c) DENIAL OF DOUBLE BENEFIT.—Section 280C(a) (relating to rule for employment credits) is amended by inserting ''45N(a),'' after ''45A(a),''.

(d) CONFORMING AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 45M the following:

''Sec. 45N. Ready Reserve-National Guard employee credit.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 412. READY RESERVE-NATIONAL GUARD REPLACEMENT EMPLOYEE CREDIT.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to foreign tax credit, etc.) is amended by adding after section 30C the following new section:

''SEC. 30D. READY RESERVE-NATIONAL GUARD REPLACEMENT EMPLOYEE CREDIT.

''(a) ALLOWANCE OF CREDIT.—

''(1) IN GENERAL.—In the case of an eligible taxpayer, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year the sum of the employment credits for each qualified replacement employee under this section.

''(2) EMPLOYMENT CREDIT.—The employment credit with respect to a qualified replacement employee of the taxpayer for any taxable year is equal to 50 percent of the lesser of—

''(A) the individual's qualified compensation attributable to service rendered as a qualified replacement employee, or

''(B) $12,000.

''(b) QUALIFIED COMPENSATION.—The term 'qualified compensation' means—

''(1) compensation which is normally contingent on the qualified replacement employee's presence for work and which is deductible from the taxpayer's gross income under section 162(a)(1),

''(2) compensation which is not characterized by the taxpayer as vacation or holiday pay, or as sick leave or pay, or as any other form of pay for a nonspecific leave of absence, and

''(3) group health plan costs (if any) with respect to the qualified replacement employee.

''(c) QUALIFIED REPLACEMENT EMPLOYEE.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified replacement employee' means an individual who is hired to replace a Ready Reserve-National Guard employee or a Ready Reserve-National Guard self-employed taxpayer, but only with respect to the period during which—

''(A) such Ready Reserve-National Guard employee is receiving an actual compensation amount (as defined in section 45N(b)) from the employee's employer and is participating in qualified active duty, including time spent in travel status, or

''(B) such Ready Reserve-National Guard self-employed taxpayer is participating in such qualified active duty.

''(2) READY RESERVE-NATIONAL GUARD EMPLOYEE.—The term 'Ready Reserve-National Guard employee' has the meaning given such term by section 45N(d)(3).

''(3) READY RESERVE-NATIONAL GUARD SELF-EMPLOYED TAXPAYER.—The term 'Ready Reserve-National Guard self-employed taxpayer' means a taxpayer who—

''(A) has net earnings from self-employment (as defined in section 1402(a)) for the taxable year, and

''(B) is a member of the Ready Reserve of a reserve component of an Armed Force of the United States as described in section 10142 and 10101 of title 10, United States Code.

''(d) COORDINATION WITH OTHER CREDITS.—The amount of credit otherwise allowable under sections 51(a) and 1396(a) with respect to any employee shall be reduced by the credit allowed by this section with respect to such employee.

''(e) LIMITATIONS.—

''(1) APPLICATION WITH OTHER CREDITS.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of—

''(A) the regular tax for the taxable year reduced by the sum of the credits allowable under subpart A and sections 27, 29, and 30, over

''(B) the tentative minimum tax for the taxable year.

''(2) DISALLOWANCE FOR FAILURE TO COMPLY WITH EMPLOYMENT OR REEMPLOYMENT RIGHTS OF MEMBERS OF THE RESERVE COMPONENTS OF THE ARMED FORCES OF THE UNITED STATES.—No credit shall be allowed under subsection (a) to a taxpayer for—

''(A) any taxable year, beginning after the date of the enactment of this section, in which the taxpayer is under a final order, judgment, or other process issued or required by a district court of the United States under section 4323 of title 38 of the United States Code with respect to a violation of chapter 43 of such title, and

''(B) the 2 succeeding taxable years.

''(f) GENERAL DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) ELIGIBLE TAXPAYER.—The term 'eligible taxpayer' means a small business employer or a Ready Reserve-National Guard self-employed taxpayer.

''(2) SMALL BUSINESS EMPLOYER.—

''(A) IN GENERAL.—The term 'small business employer' means, with respect to any taxable year, any employer who employed an average of 50 or fewer employees on business days during such taxable year.

''(B) CONTROLLED GROUPS.—For purposes of subparagraph (A), all persons treated as a single employer under subsection (b), (c), (m), or (o) of section 414 shall be treated as a single employer.

''(3) QUALIFIED ACTIVE DUTY.—The term 'qualified active duty' has the meaning given such term by section 45N(d)(1).

''(4) SPECIAL RULES FOR CERTAIN MANUFACTURERS.—

''(A) IN GENERAL.—In the case of any qualified manufacturer—

''(i) subsection (a)(2)(B) shall be applied by substituting '$20,000' for '$12,000', and

''(ii) paragraph (2)(A) of this subsection shall be applied by substituting '100' for '50'.

''(B) QUALIFIED MANUFACTURER.—For purposes of this paragraph, the term 'qualified manufacturer' means any person if—

''(i) the primary business of such person is classified in sector 31, 32, or 33 of the North American Industrial Classification System, and

''(ii) all of such person's facilities which are used for production in such business are located in the United States.

''(5) CARRYBACK AND CARRYFORWARD ALLOWED.—

''(A) IN GENERAL.—If the credit allowable under subsection (a) for a taxable year exceeds the amount of the limitation under subsection (e)(1) for such taxable year (in this paragraph referred to as the 'unused credit year'), such excess shall be a credit carryback to each of the 3 taxable years preceding the unused credit year and a credit carryforward to each of the 20 taxable years following the unused credit year.

''(B) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryback and credit carryforward under subparagraph (A).

''(6) CERTAIN RULES TO APPLY.—Rules similar to the rules of subsections (c), (d), and (e) of section 52 shall apply.''.

(b) NO DEDUCTION FOR COMPENSATION TAKEN INTO ACCOUNT FOR CREDIT.—Section 280C(a) (relating to rule for employment credits) is amended—

(1) by inserting ''or compensation'' after ''salaries'', and

(2) by inserting ''30D,'' before ''45A(a),''.

(c) CONFORMING AMENDMENT.—Section 55(c)(2) is amended by inserting ''30D(e)(1),'' after ''30(b)(3),''.

(d) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by adding after the item relating to section 30C the following new item:

''Sec. 30D. Credit for replacement of activated military reservists.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 413. INCOME TAX WITHHOLDING ON DIFFERENTIAL WAGE PAYMENTS.

(a) IN GENERAL.—Section 3401 (relating to definitions) is amended by adding at the end the following new subsection:

''(i) DIFFERENTIAL WAGE PAYMENTS TO ACTIVE DUTY MEMBERS OF THE UNIFORMED SERVICES.—

''(1) IN GENERAL.—For purposes of subsection (a), any differential wage payment shall be treated as a payment of wages by the employer to the employee.

''(2) DIFFERENTIAL WAGE PAYMENT.—For purposes of paragraph (1), the term 'differential wage payment' means any payment which—

''(A) is made by an employer to an individual with respect to any period during which the individual is performing service in the uniformed services while on active duty for a period of more than 30 days, and

''(B) represents all or a portion of the wages the individual would have received from the employer if the individual were performing service for the employer.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to remuneration paid after December 31, 2005.

SEC. 414. TREATMENT OF DIFFERENTIAL WAGE PAYMENTS FOR RETIREMENT PLAN PURPOSES.

(a) PENSION PLANS.—

(1) IN GENERAL.—Section 414(u) (relating to special rules relating to veterans' reemployment rights under USERRA) is amended by adding at the end the following new paragraph:

''(11) TREATMENT OF DIFFERENTIAL WAGE PAYMENTS.—

''(A) IN GENERAL.—Except as provided in this paragraph, for purposes of applying this title to a retirement plan to which this subsection applies—

''(i) an individual receiving a differential wage payment shall be treated as an employee of the employer making the payment,

''(ii) the differential wage payment shall be treated as compensation, and

''(iii) the plan shall not be treated as failing to meet the requirements of any provision described in paragraph (1)(C) by reason of any contribution which is based on the differential wage payment.

''(B) SPECIAL RULE FOR DISTRIBUTIONS.—

''(i) IN GENERAL.—Notwithstanding subparagraph (A)(i), for purposes of section 401(k)(2)(B)(i)(I), 403(b)(7)(A)(ii), 403(b)(11)(A), or 457(d)(1)(A)(ii), an individual shall be treated as having been severed from employment during any period the individual is performing service in the uniformed services described in section 3401(i)(2)(A).

''(ii) LIMITATION.—If an individual elects to receive a distribution by reason of clause (i), the plan shall provide that the individual may not make an elective deferral or employee contribution during the 6-month period beginning on the date of the distribution.

''(C) NONDISCRIMINATION REQUIREMENT.—Subparagraph (A)(iii) shall apply only if all employees of an employer performing service in the uniformed services described in section 3401(i)(2)(A) are entitled to receive differential wage payments on reasonably equivalent terms and, if eligible to participate in a retirement plan maintained by the employer, to make contributions based on the payments. For purposes of applying this subparagraph, the provisions of paragraphs (3), (4), and (5), of section 410(b) shall apply.

''(D) DIFFERENTIAL WAGE PAYMENT.—For purposes of this paragraph, the term 'differential wage payment' has the meaning given such term by section 3401(i)(2).''.

(2) CONFORMING AMENDMENT.—The heading for section 414(u) is amended by inserting ''AND TO DIFFERENTIAL WAGE PAYMENTS TO MEMBERS ON ACTIVE DUTY'' after ''USERRA''.

(b) DIFFERENTIAL WAGE PAYMENTS TREATED AS COMPENSATION FOR INDIVIDUAL RETIREMENT PLANS.—Section 219(f)(1) (defining compensation) is amended by adding at the end the following new sentence: ''The term 'compensation' includes any differential wage payment (as defined in section 3401(i)(2)).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to plan years beginning after December 31, 2005.

(d) PROVISIONS RELATING TO PLAN AMENDMENTS.—

(1) IN GENERAL.—If this subsection applies to any plan or annuity contract amendment—

(A) such plan or contract shall be treated as being operated in accordance with the terms of the plan or contract during the period described in paragraph (2)(B)(i), and

(B) except as provided by the Secretary of the Treasury, such plan shall not fail to meet the requirements of the Internal Revenue Code of 1986 or the Employee Retirement Income Security Act of 1974 by reason of such amendment.

(2) AMENDMENTS TO WHICH SECTION APPLIES.—

(A) IN GENERAL.—This subsection shall apply to any amendment to any plan or annuity contract which is made—

(i) pursuant to any amendment made by this section, and

(ii) on or before the last day of the first plan year beginning on or after January 1, 2007.

(B) CONDITIONS.—This subsection shall not apply to any plan or annuity contract amendment unless—

(i) during the period beginning on the date the amendment described in subparagraph (A)(i) takes effect and ending on the date described in subparagraph (A)(ii) (or, if earlier, the date the plan or contract amendment is adopted), the plan or contract is operated as if such plan or contract amendment were in effect, and

(ii) such plan or contract amendment applies retroactively for such period.

SEC. 415. MODIFICATIONS OF EFFECTIVE DATES OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004.

(a) IN GENERAL.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by adding at the end the following new paragraph:

''(5) LEASES TO FOREIGN ENTITIES.—In the case of tax-exempt use property leased to a tax-exempt entity which is a foreign person or entity, the amendments made by this part shall apply to taxable years beginning after December 31, 2004, with respect to leases entered into on or before March 12, 2004.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SA 2632. Mr. LOTT (for himself and Mr. BAUCUS) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, insert:

SEC. ___. MODIFICATIONS TO RULES RELATING TO TAXATION OF DISTRIBUTIONS OF STOCK AND SECURITIES OF A CONTROLLED CORPORATION.

(a) MODIFICATION OF ACTIVE BUSINESS DEFINITION UNDER SECTION 355.—

(1) IN GENERAL.—Section 355(b) (defining active conduct of a trade or business) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULES RELATING TO ACTIVE BUSINESS REQUIREMENT.—

''(A) IN GENERAL.—For purposes of determining whether a corporation meets the requirement of paragraph (2)(A), all members of such corporation's separate affiliated group shall be treated as 1 corporation. For purposes of the preceding sentence, the term 'separate affiliated group' means, with respect to any corporation, the affiliated group which would be determined under section 1504(a) if such corporation were the common parent and section 1504(b) did not apply.

''(B) CONTROL.—For purposes of paragraph (2)(D), all distributee corporations which are members of the same affiliated group (as defined in section 1504(a) without regard to section 1504(b)) shall be treated as 1 distributee corporation.''.

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (A) of section 355(b)(2) is amended to read as follows:

''(A) it is engaged in the active conduct of a trade or business,''.

(B) Section 355(b)(2) of such Code is amended by striking the last sentence.

(3) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendments made by this subsection shall apply—

(i) to distributions after the date of the enactment of this Act, and before January 1, 2010, and

(ii) for purposes of determining the continued qualification under section 355(b)(2)(A) of the Internal Revenue Code of 1986 (as amended by paragraph (2)(A)) of distributions made before such date, as a result of an acquisition, disposition, or other restructuring after such date and before January 1, 2010.

(B) TRANSITION RULE.—The amendments made by this subsection shall not apply to any distribution pursuant to a transaction which is—

(i) made pursuant to an agreement which was binding on such date of enactment and at all times thereafter,

(ii) described in a ruling request submitted to the Internal Revenue Service on or before such date, or

(iii) described on or before such date in a public announcement or in a filing with the Securities and Exchange Commission.

(C) ELECTIONS.—

(i) OUT OF TRANSITION RELIEF.—Subparagraph (B) shall not apply if the distributing corporation elects not to have such subparagraph apply to distributions of such corporation. Any such election, once made, shall be irrevocable.

(ii) APPLICATION TO PRIOR DISTRIBUTIONS.—Subparagraph (A)(ii) shall not apply to a distributing or controlled corporation if the corporation elects not to have such subparagraph apply to such corporation. Any such election, once made, shall be irrevocable.

(b) SECTION 355 NOT TO APPLY TO DISTRIBUTIONS IF THE DISTRIBUTING OR CONTROLLED CORPORATION IS A DISQUALIFIED INVESTMENT CORPORATION.—

(1) IN GENERAL.—Section 355 (relating to distributions of stock and securities of a controlled corporation) is amended by adding at the end the following new subsection:

''(g) SECTION NOT TO APPLY TO DISTRIBUTIONS INVOLVING DISQUALIFIED INVESTMENT CORPORATIONS.—

''(1) IN GENERAL.—This section (and so much of section 356 as relates to this section) shall not apply to any distribution which is part of a transaction if—

''(A) either the distributing corporation or controlled corporation is, immediately after the transaction, a disqualified investment corporation, and

''(B) any person holds, immediately after the transaction, a 50-percent or greater interest in any disqualified investment corporation, but only if such person did not hold such an interest in such corporation immediately before the transaction.

''(2) DISQUALIFIED INVESTMENT CORPORATION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'disqualified investment corporation' means any distributing or controlled corporation if the fair market value of the investment assets of the corporation is 75 percent or more of the fair market value of all assets of the corporation.

''(B) INVESTMENT ASSETS.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the term 'investment assets' means—

''(I) cash,

''(II) any stock or securities in a corporation,

''(III) any interest in a partnership,

''(IV) any debt instrument or other evidence of indebtedness,

''(V) any option, forward or futures contract, notional principal contract, or derivative,

''(VI) foreign currency, or

''(VII) any similar asset.

''(ii) EXCEPTION FOR ASSETS USED IN ACTIVE CONDUCT OF CERTAIN FINANCIAL TRADES OR BUSINESSES.—Such term shall not include any asset which is held for use in the active and regular conduct of—

''(I) a lending or finance business (within the meaning of section 954(h)(4)),

''(II) a banking business through a bank (as defined in section 581), a domestic building and loan association (within the meaning of section 7701(a)(19)), or any similar institution specified by the Secretary, or

''(III) an insurance business if the conduct of the business is licensed, authorized, or regulated by an applicable insurance regulatory body.

This clause shall only apply with respect to any business if substantially all of the income of the business is derived from persons who are not related (within the meaning of section 267(b) or 707(b)(1)) to the person conducting the business.

''(iii) EXCEPTION FOR SECURITIES MARKED TO MARKET.—Such term shall not include any security (as defined in section 475(c)(2)) which is held by a dealer in securities and to which section 475(a) applies.

''(iv) STOCK OR SECURITIES IN A 25-PERCENT CONTROLLED ENTITY.—

''(I) IN GENERAL.—Such term shall not include any stock and securities in, or any asset described in subclause (IV) or (V) of clause (i) issued by, a corporation which is a 25-percent controlled entity with respect to the distributing or controlled corporation.

''(II) LOOK-THRU RULE.—The distributing or controlled corporation shall, for purposes of applying this subsection, be treated as owning its ratable share of the assets of any 25-percent controlled entity.

''(III) 25-PERCENT CONTROLLED ENTITY.—For purposes of this clause, the term '25-percent controlled entity' means, with respect to any distributing or controlled corporation, any corporation with respect to which the distributing or controlled corporation owns directly or indirectly stock meeting the requirements of section 1504(a)(2), except that such section shall be applied by substituting '25 percent' for '80 percent' and without regard to stock described in section 1504(a)(4).

''(v) INTERESTS IN CERTAIN PARTNERSHIPS.—

''(I) IN GENERAL.—Such term shall not include any interest in a partnership, or any debt instrument or other evidence of indebtedness, issued by the partnership, if 1 or more of the trades or businesses of the partnership are (or, without regard to the 5-year requirement under subsection (b)(2)(B), would be) taken into account by the distributing or controlled corporation, as the case may be, in determining whether the requirements of subsection (b) are met with respect to the distribution.

''(II) LOOK-THRU RULE.—The distributing or controlled corporation shall, for purposes of applying this subsection, be treated as owning its ratable share of the assets of any partnership described in subclause (I).

''(3) 50-PERCENT OR GREATER INTEREST.—For purposes of this subsection—

''(A) IN GENERAL.—The term '50-percent or greater interest' has the meaning given such term by subsection (d)(4).

''(B) ATTRIBUTION RULES.—The rules of section 318 shall apply for purposes of determining ownership of stock for purposes of this paragraph.

''(4) TRANSACTION.—For purposes of this subsection, the term 'transaction' includes a series of transactions.

''(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out, or prevent the avoidance of, the purposes of this subsection, including regulations—

''(A) to carry out, or prevent the avoidance of, the purposes of this subsection in cases involving—

''(i) the use of related persons, intermediaries, pass-thru entities, options, or other arrangements, and

''(ii) the treatment of assets unrelated to the trade or business of a corporation as investment assets if, prior to the distribution, investment assets were used to acquire such unrelated assets,

''(B) which in appropriate cases exclude from the application of this subsection a distribution which does not have the character of a redemption which would be treated as a sale or exchange under section 302, and

''(C) which modify the application of the attribution rules applied for purposes of this subsection.''.

(2) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendments made by this subsection shall apply to distributions after the date of the enactment of this Act.

(B) TRANSITION RULE.—The amendments made by this subsection shall not apply to any distribution pursuant to a transaction which is—

(i) made pursuant to an agreement which was binding on such date of enactment and at all times thereafter,

(ii) described in a ruling request submitted to the Internal Revenue Service on or before such date, or

(iii) described on or before such date in a public announcement or in a filing with the Securities and Exchange Commission.

SA 2633. Mr. LOTT submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the appropriate place, insert the following:

SEC. ___. CLARIFICATION OF TREATMENT OF OUTSIDE INCOME AND EXPENSES IN THE SENATE.

(a) IN GENERAL.—For purposes of rule XXXVI and paragraph 5(b)(3) of rule XXXVII of the Standing Rules of the Senate, compensation or outside earned income for any calendar year shall be reduced by actual and necessary expenses incurred by a Member of the Senate in connection with the practice of medicine. A Member of the Senate shall include information with respect to such expenses with any report in which such compensation or income is required to be included.

(b) PAYMENT OR REIMBURSEMENT.—If expenses described in subsection (a) are—

(1) paid or reimbursed by another person, the amount of any such payment shall not be counted as compensation or outside earned income; and

(2) not paid or reimbursed, the amount of compensation or outside earned income shall be determined by subtracting the actual and necessary expenses incurred by the Member from any payment received for the activity.

SA 2634. Mrs. BOXER (for herself and Mr. SCHUMER) submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the appropriate place, insert the following:

SEC. ___. TREATMENT AND SUPPORT SERVICES FOR VETERANS.

Out of any money in the Treasury of the United States not otherwise appropriated, and in addition to any amount otherwise appropriated, there are appropriated $500,000,000 to the Secretary of Veterans Affairs for each of fiscal years 2006 through 2010, to provide veterans suffering from mental illness, post-traumatic stress disorder, or drug or alcohol dependency with—

(1) readjustment counseling and related mental health services under section 1712A of title 38, United States Code; and

(2) treatment and rehabilitative services under section 1720A of such title.

SEC. ___. ELIMINATION OF THE SCHEDULED PHASE OUT OF THE LIMITATIONS ON PERSONAL EXEMPTIONS AND ITEMIZED DEDUCTIONS FOR INDIVIDUALS EARNING IN EXCESS OF $1,000,000.

(a) PERSONAL EXEMPTIONS.—Section 151(d)(3)(E) of the Internal Revenue Code of 1986 is amended by adding at the end the following new clause:

''(iii) EXCEPTION.—This subparagraph shall not apply with respect to any individual whose adjusted gross income for the taxable year exceeds $1,000,000 ($2,000,000 in the case of a joint return).''.

(b) ITEMIZED DEDUCTIONS.—Section 68(f) of such Code is amended by adding at the end the following new paragraph:

''(3) EXCEPTION.—This subsection shall not apply with respect to any individual whose adjusted gross income for the taxable year exceeds $1,000,000 ($2,000,000 in the case of a joint return).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

(d) APPLICATION OF EGTRRA SUNSET.—The amendments made by this section shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 to the same extent and in the same manner as the provision of such Act to which such amendment relates.

SA 2635. Mr. SCHUMER (for himself and Mrs. FEINSTEIN) proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV add the following:

SEC. 410. TEMPORARY WINDFALL PROFITS TAX.

(a) IN GENERAL.—Subtitle E (relating to alcohol, tobacco, and certain other excise taxes) is amended by adding at the end thereof the following new chapter:

''CHAPTER 56—TEMPORARY WINDFALL PROFITS ON CRUDE OIL

''Sec. 5896. Imposition of tax.
''Sec. 5897. Windfall profit; etc.
''Sec. 5898. Special rules and definitions.

''SEC. 5896. IMPOSITION OF TAX.

''(a) IN GENERAL.—In addition to any other tax imposed under this title, there is hereby

imposed on any applicable taxpayer an excise tax in an amount equal to 50 percent of the windfall profit of such taxpayer for any taxable year beginning in 2005.

''(b) APPLICABLE TAXPAYER.—For purposes of this chapter, the term 'applicable taxpayer' means, with respect to operations in the United States—

''(1) any integrated oil company (as defined in section 291(b)(4)), and

''(2) any other producer or refiner of crude oil with gross receipts from the sale of such crude oil or refined oil products for the taxable year exceeding $100,000,000.

''SEC. 5897. WINDFALL PROFIT; ETC.

''(a) GENERAL RULE.—For purposes of this chapter, the term 'windfall profit' means the excess of the adjusted taxable income of the applicable taxpayer for the taxable year over the reasonably inflated average profit for such taxable year.

''(b) ADJUSTED TAXABLE INCOME.—For purposes of this chapter, with respect to any applicable taxpayer, the adjusted taxable income for any taxable year is equal to the taxable income for such taxable year (within the meaning of section 63 and determined without regard to this subsection)—

''(1) increased by any interest expense deduction, charitable contribution deduction, and any net operating loss deduction carried forward from any prior taxable year, and

''(2) reduced by any interest income, dividend income, and net operating losses to the extent such losses exceed taxable income for the taxable year.

In the case of any applicable taxpayer which is a foreign corporation, the adjusted taxable income shall be determined with respect to such income which is effectively connected with the conduct of a trade or business in the United States.

''(c) REASONABLY INFLATED AVERAGE PROFIT.—For purposes of this chapter, with respect to any applicable taxpayer, the reasonably inflated average profit for any taxable year is an amount equal to the average of the adjusted taxable income of such taxpayer for taxable years beginning during the 2002–2004 taxable year period plus 10 percent of such average.

''SEC. 5898. SPECIAL RULES AND DEFINITIONS.

''(a) WITHHOLDING AND DEPOSIT OF TAX.—The Secretary shall provide such rules as are necessary for the withholding and deposit of the tax imposed under section 5896.

''(b) RECORDS AND INFORMATION.—Each taxpayer liable for tax under section 5896 shall keep such records, make such returns, and furnish such information as the Secretary may by regulations prescribe.

''(c) RETURN OF WINDFALL PROFIT TAX.—The Secretary shall provide for the filing and the time of such filing of the return of the tax imposed under section 5896.

''(d) CRUDE OIL.—The term 'crude oil' includes crude oil condensates and natural gasoline.

''(e) BUSINESSES UNDER COMMON CONTROL.—For purposes of this chapter, all members of the same controlled group of corporations (within the meaning of section 267(f)) and all persons under common control (within the meaning of section 52(b) but determined by treating an interest of more than 50 percent as a controlling interest) shall be treated as 1 person.

''(f) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this chapter.''.

(b) CLERICAL AMENDMENT.—The table of chapters for subtitle E of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''CHAPTER 56. Temporary Windfall Profit on Crude Oil.''.

(c) DEDUCTIBILITY OF WINDFALL PROFIT TAX.—The first sentence of section 164(a) of the Internal Revenue Code of 1986 (relating to deduction for taxes) is amended by inserting after paragraph (5) the following new paragraph:

''(6) The windfall profit tax imposed by section 5896.''.

(d) NONREFUNDABLE CREDIT.—In the case of taxable years beginning in 2005, for purposes of the Internal Revenue Code of 1986, the tax liability of each taxpayer otherwise determined under the Internal Revenue Code of 1986 shall be reduced by $100 for each personal exemption (within the meaning of section 151 of such Code) claimed by such taxpayer for such taxable year.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning in 2005.

SA 2636. Mr. INHOFE submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

On page 121, line 4, strike the period at the end and insert '', or

''(v)(I) the applicable exempt organization, or a financing subsidiary or affiliate wholly owned by one or more applicable exempt organizations, is the sole owner and beneficiary of the contract,

''(II) the interest in the contract of each person other than the applicable exempt organization arises solely from a security or collateral interest, and

''(III) a principal portion of the death benefits attributable to the insurance contract is paid to the applicable exempt organization, or a subsidiary or affiliate wholly owned by one or more applicable exempt organizations.

SA 2637. Mr. COLEMAN (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

On page 235, between lines 13 and 14, insert the following:

SEC. _____. ALTERNATIVE PERCENTAGE LIMITATION FOR CORPORATE CHARITABLE CONTRIBUTIONS TO THE MATHEMATICS AND SCIENCE PARTNERSHIP PROGRAM.

(a) IN GENERAL.—Section 170(b) (related to percentage limitations) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE FOR CORPORATE CONTRIBUTIONS TO THE MATHEMATICS AND SCIENCE PARTNERSHIP PROGRAM.—

''(A) IN GENERAL.—In the case of a corporation which makes an eligible mathematics and science contribution—

''(i) the limitation under paragraph (2) shall apply separately with respect to all such contributions and all other charitable contributions, and

''(ii) paragraph (2) shall be applied with respect to all eligible mathematics and science contributions by substituting '15 percent' for '10 percent'.

''(B) ELIGIBLE MATHEMATICS AND SCIENCE CONTRIBUTION.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'eligible mathematics and science contribution' means a charitable contribution (other than a contribution of used equipment) to a qualified partnership for the purpose of an activity described in section 2202(c) of the Elementary and Secondary Education Act of 1965.

''(ii) QUALIFIED PARTNERSHIP.—The term 'qualified partnership' means an eligible partnership (within the meaning of section 2201(b)(1) of the Elementary and Secondary Education Act of 1965), but only to the extent that such partnership does not include a person other than a person described in paragraph (1)(A).

''(C) TERMINATION.—This paragraph shall not apply to any contributions made in taxable years beginning after December 31, 2006.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2005.

SA 2638. Mr. BUNNING submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

SEC. ____. EXEMPTION OF QUALIFIED 501(C)(3) BONDS FOR NURSING HOMES FROM FEDERAL GUARANTEE PROHIBITIONS.

(a) IN GENERAL.—Section 149(b)(3) (relating to exceptions) is amended by adding at the end the following new subparagraph:

''(E) EXCEPTION FOR QUALIFIED 501(C)(3) BONDS FOR NURSING HOMES.—

''(i) IN GENERAL.—Paragraph (1) shall not apply to any qualified 501(c)(3) bond issued before the date which is 1 year after the date of the enactment of this subparagraph for the benefit of an organization described in section 501(c)(3), if such bond is part of an issue the proceeds of which are used to finance 1 or more of the following facilities primarily for the benefit of the elderly:

''(I) Licensed nursing home facility.

''(II) Licensed or certified assisted living facility.

''(III) Licensed personal care facility.

''(IV) Continuing care retirement community.

''(ii) LIMITATION.—With respect to any calendar year, clause (i) shall not apply to any bond described in such clause if the aggregate authorized face amount of the issue of which such bond is a part when increased by the outstanding amount of such bonds issued by the issuer for such calendar year exceeds $15,000,000.

''(iii) CONTINUING CARE RETIREMENT COMMUNITY.—For purposes of this subparagraph, the term 'continuing care retirement community' means a community which provides, on the same campus, a continuum of residential living options and support services to persons at least 60 years of age under a written agreement. For purposes of the preceding sentence, the residential living options shall include independent living units, nursing home beds, and either assisted living units or personal care beds.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to bonds issued after the date of the enactment of this Act.

SA 2639. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006;

which was ordered to lie on the table; as follows:

Beginning on page 76, strike line 23 and all that follows through page 77, line 2.

SA 2640. Mr. ROCKEFELLER submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

Beginning on page 76, strike line 24 and all that follows through page 77, line 2, and insert the following:

Section 1397E(d)(2)(B) is amended to read as follows:

''(B) QUALIFIED CONTRIBUTIONS.—

''(i) IN GENERAL.—For purposes of subparagraph (A), the term 'qualified contribution' means any contribution (of a type and quality acceptable to the eligible local education agency) of—

''(I) equipment or software for use in the qualified zone academy (including state-of-the-art technology and vocational equipment),

''(II) technical assistance in developing curriculum or in training teachers in order to promote appropriate market driven technology in the classroom,

''(III) services of employees (but not of the local education agency) as volunteer mentors,

''(IV) internships, or other educational opportunities outside the academy for students,

''(V) cash, or

''(VI) any other tangible or intangible property specified by the eligible local education agency.

''(ii) EXCLUSION.—Such term shall not include any discounts, set-up fees, and contributions conditioned upon business with the contributor.

''(iii) VALUATION.—Valuation of the qualified contribution shall be reasonable given the nature of the contribution. For tangible and intangible property, valuation based on pricing that is regularly charged for the sale of such tangible and intangible property shall be reasonable. For services, valuation of such services based on pricing that is regularly charged for the sale of such services shall be reasonable. For services that are not regularly sold, valuation based on the average hourly compensation, including benefits, of the employees providing such services for the contributor shall be reasonable, so long as such cost is applied to the reasonable estimate of the contributed hours for such services.''.

SA 2641. Mr. BINGAMAN submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV add the following:

SEC. ___. MODIFICATIONS OF EFFECTIVE DATES OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004 AND FUNDING OF LIHEAP TRUST FUND.

(a) IN GENERAL.—Section 849(b) of the American Jobs Creation Act of 2004, as amended by section 553 of this Act, is amended by adding at the end the following new paragraph:

''(3) LEASES TO FOREIGN ENTITIES.—In the case of tax-exempt use property leased to a tax-exempt entity which is a foreign person or entity, the amendments made by this part shall apply to taxable years beginning after December 31, 2004, with respect to leases entered into on or before March 12, 2004.''.

(b) LOW INCOME HOME ENERGY ASSISTANCE TRUST FUND.—

(1) IN GENERAL.—Subchapter A of chapter 98 (relating to trust fund code) is amended by adding at the end the following new section:

''SEC. 9511. LOW-INCOME HOME ENERGY ASSISTANCE TRUST FUND.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Low-Income Home Energy Assistance Trust Fund', consisting of any amount appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

''(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Low-Income Home Energy Assistance Trust Fund amounts equivalent to the increased revenues received in the Treasury as the result of the amendment made by section 410(a) of the Tax Relief Act of 2005.

''(c) EXPENDITURES FROM TRUST FUND.—Amounts in the Low Income Home Energy Assistance Trust Fund not to exceed $2,920,000,000 shall be available for fiscal year 2006, as provided by appropriation Acts, to carry out the program under the Low-Income Home Energy Assistance Act of 1981 through the distribution of funds to all the States in accordance with section 2604 of that Act (42 U.S.C. 8623) (other than subsection (e) of such section), but only if not less than $1,880,000,000 has been appropriated for such program for such fiscal year.''.

(2) CLERICAL AMENDMENT.—The table of sections for such subchapter is amended by adding at the end the following new item:

''Sec. 9511. Low-Income Home Energy Assistance Trust Fund.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall take effect on the date of the enactment of this Act.

SA 2642. Mr. BINGAMAN (for himself, Mr. KERRY, and Ms. SNOWE) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV, add the following:

SEC. ___. CREDIT FOR EMPLOYEE HEALTH INSURANCE EXPENSES.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 (relating to business-related credits) is amended by adding at the end the following:

''SEC. 45N. EMPLOYEE HEALTH INSURANCE EXPENSES.

''(a) GENERAL RULE.—For purposes of section 38, in the case of a qualified small employer, the employee health insurance expenses credit determined under this section is an amount equal to the applicable percentage of the amount paid by the taxpayer during the taxable year for qualified employee health insurance expenses.

''(b) APPLICABLE PERCENTAGE.—For purposes of subsection (a), the applicable percentage is equal to—

''(1) 50 percent in the case of an employer with less than 26 qualified employees,

''(2) 40 percent in the case of an employer with more than 25 but less than 36 qualified employees, and

''(3) 30 percent in the case of an employer with more than 35 but less than 51 qualified employees.

''(c) PER EMPLOYEE DOLLAR LIMITATION.—The amount of qualified employee health insurance expenses taken into account under subsection (a) with respect to any qualified employee for any taxable year shall not exceed the maximum employer contribution for self-only coverage or family coverage (as applicable) determined under section 8906(a) of title 5, United States Code, for the calendar year in which such taxable year begins.

''(d) DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) QUALIFIED SMALL EMPLOYER.—

''(A) IN GENERAL.—The term 'qualified small employer' means any small employer which—

''(i) provides eligibility for health insurance coverage (after any waiting period (as defined in section 9801(b)(4)) to all qualified employees of the employer, and

''(ii) pays at least 70 percent of the cost of such coverage (60 percent in the case of family coverage) for each qualified employee.

''(B) TRANSITION RULE FOR NEW PLANS.—

''(i) IN GENERAL.—If a small employer (or any predecessor) did not provide health insurance coverage to the qualified employees of the employer during the employer's precompliance period, then subparagraph (A) shall be applied to such employer for the first 5 taxable years following such period by substituting '50 percent' for '70 percent' in clause (ii) (or for '60 percent' in such clause, in the case of family coverage).

''(ii) PRECOMPLIANCE PERIOD.—For purposes of clause (i), the precompliance periods are—

''(I) the period beginning with the small employer's taxable year preceding its first taxable year beginning after the date of the enactment of this section, and

''(II) the period beginning with the small employer's taxable year preceding the first taxable year for which the employer meets the requirement of subparagraph (A)(i).

An employer not in existence for any period shall be treated in the same manner as an employer which is in existence and not providing coverage.

''(C) SMALL EMPLOYER.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'small employer' means, with respect to any calendar year, any employer if such employer employed an average of not less than 2 and not more than 50 qualified employees on business days during either of the 2 preceding calendar years. For purposes of the preceding sentence, a preceding calendar year may be taken into account only if the employer was in existence throughout such year.

''(ii) EMPLOYERS NOT IN EXISTENCE IN PRECEDING YEAR.—In the case of an employer which was not in existence throughout the 1st preceding calendar year, the determination under clause (i) shall be based on the average number of qualified employees that it is reasonably expected such employer will employ on business days in the current calendar year.

''(2) QUALIFIED EMPLOYEE HEALTH INSURANCE EXPENSES.—

''(A) IN GENERAL.—The term 'qualified employee health insurance expenses' means any amount paid by an employer for health insurance coverage to the extent such amount is attributable to coverage provided to any employee while such employee is a qualified employee.

''(B) EXCEPTION FOR AMOUNTS PAID UNDER SALARY REDUCTION ARRANGEMENTS.—No amount paid or incurred for health insurance coverage pursuant to a salary reduction arrangement shall be taken into account under subparagraph (A).

''(C) HEALTH INSURANCE COVERAGE.—The term 'health insurance coverage' has the meaning given such term by paragraph (1) of section 9832(b) (determined by disregarding the last sentence of paragraph (2) of such section).

''(3) QUALIFIED EMPLOYEE.—The term 'qualified employee' means an employee of an employer who, with respect to any period, is not provided health insurance coverage under—

''(A) a health plan of the employee's spouse,

''(B) title XVIII, XIX, or XXI of the Social Security Act,

''(C) chapter 17 of title 38, United States Code,

''(D) chapter 55 of title 10, United States Code,

''(E) chapter 89 of title 5, United States Code, or

''(F) any other provision of law.

''(4) EMPLOYEE.—The term 'employee'—

''(A) means any individual, with respect to any calendar year, who is reasonably expected to receive at least $5,000 of compensation from the employer during such year,

''(B) does not include an employee within the meaning of section 401(c)(1), and

''(C) includes a leased employee within the meaning of section 414(n).

''(5) COMPENSATION.—The term 'compensation' means amounts described in section 6051(a)(3).

''(e) CERTAIN RULES MADE APPLICABLE.—For purposes of this section, rules similar to the rules of section 52 shall apply.

''(f) DENIAL OF DOUBLE BENEFIT.—No deduction or credit under any other provision of this chapter shall be allowed with respect to qualified employee health insurance expenses taken into account under subsection (a).

''(g) TERMINATION.—This section shall not apply with respect to any taxable year beginning after December 31, 2006.''.

(b) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (relating to current year business credit) is amended by striking ''and'' at the end of paragraph (25), by striking the period at the end of paragraph (26) and inserting '', and'', and by adding at the end the following:

''(27) the employee health insurance expenses credit determined under section 45N.''.

(c) CREDIT ALLOWED AGAINST MINIMUM TAX.—Subparagraph (B) of section 38(c)(4) (relating to limitation based on amount of tax for specified credits) is amended—

(1) in clause (ii)(II), by striking the period at the end and inserting '', and''; and

(2) by adding at the end the following new clause:

''(iii) the employee health insurance expenses credit determined under section 45N.''.

(d) CLERICAL AMENDMENT.—The table of sections for subpart D of part IV of subchapter A of chapter 1 is amended by adding at the end the following:

''Sec. 45N. Employee health insurance expenses.''.

(e) EMPLOYER OUTREACH.—The Internal Revenue Service shall, in conjunction with the Small Business Administration, develop materials and implement an educational program to ensure that business personnel are aware of—

(1) the eligibility criteria for the tax credit provided under section 45N of the Internal Revenue Code of 1986 (as added by this section),

(2) the methods to be used in calculating such credit, and

(3) the documentation needed in order to claim such credit.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred in taxable years beginning after December 31, 2005.

SEC. ___. MODIFICATIONS OF EFFECTIVE DATES OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004.

(a) IN GENERAL.—Section 849(b) of the American Jobs Creation Act of 2004, as amended by section 553 of this Act,is amended by adding at the end the following new paragraph:

''(3) LEASES TO FOREIGN ENTITIES.—In the case of tax-exempt use property leased to a tax-exempt entity which is a foreign person or entity, the amendments made by this part shall apply to taxable years beginning after December 31, 2004, with respect to leases entered into on or before March 12, 2004.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SEC. ___. EXTENSION OF SUPERFUND TAXES.

(a) EXCISE TAXES.—Section 4611(e) is amended to read as follows:

''(e) APPLICATION OF HAZARDOUS SUBSTANCE SUPERFUND FINANCING RATE.—The Hazardous Substance Superfund financing rate under this section shall apply after December 31, 1986, and before January 1, 1996, and after December 31, 2005, and before January 1, 2015.''

(b) CORPORATE ENVIRONMENTAL INCOME TAX.—Section 59A(e) is amended to read as follows:

''(e) APPLICATION OF TAX.—The tax imposed by this section shall apply to taxable years beginning after December 31, 1986, and before January 1, 1996, and to taxable years beginning after December 31, 2005, and before January 1, 2015.''

(c) EFFECTIVE DATES.—

(1) EXCISE TAXES.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

(2) INCOME TAX.—The amendment made by subsection (b) shall apply to taxable years beginning after December 31, 2005.

SA 2643. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

On page 35, between lines 16 and 17, insert the following:

SEC. 104. HOUSING RELIEF FOR INDIVIDUALS AFFECTED BY HURRICANE KATRINA.

(a) EXCLUSION OF EMPLOYER PROVIDED HOUSING FOR INDIVIDUAL AFFECTED BY HURRICANE KATRINA.—

(1) IN GENERAL.—For purposes of the Internal Revenue Code of 1986, gross income of a qualified employee shall not include the value of any lodging furnished to such employee, such employee's spouse, or any of such employee's dependents by or on behalf of a qualified employer for any month during the taxable year.

(2) LIMITATION.—The amount which may be excluded under subsection (a) for any month for which lodging is furnished during the taxable year shall not exceed $1,000.

(3) TREATMENT OF EXCLUSION.—For purposes of the Internal Revenue Code of 1986, an exclusion under subsection (a) shall be treated as an exclusion under section 119 of such Code.

(b) EMPLOYER CREDIT FOR HOUSING EMPLOYEES AFFECTED BY HURRICANE KATRINA.—

(1) IN GENERAL.—In the case of a qualified employer, there shall be allowed as a credit against the tax imposed by chapter 1 of the Internal Revenue Code of 1986 for any month during the taxable year an amount equal to 30 percent of any amount which is excludable from the gross income of a qualified employee of such employer under subsection (a).

(2) CERTAIN RULES TO APPLY.—For purposes of this section, rules similar to the rules of section 280C(a) of such Code shall apply.

(3) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—The credit allowed under this section shall be added to the current year business credit under section 38(b) of such Code and shall be treated as a credit allowed under subpart D of part IV of subchapter A of such Code.

(c) QUALIFIED EMPLOYEE.—For purposes of this section, the term ''qualified employee'' means, with respect to any month, an individual—

(1) who had a principal residence (as defined in section 121 of the Internal Revenue Code of 1986) in the Hurricane Katrina disaster area (as defined in section 1400N(2) of such Code) on August 28, 2005, and

(2) who performs not less than 80 percent of the employment services for a qualified employer in the Hurricane Katrina disaster area (as so defined).

(d) QUALIFIED EMPLOYER.—For purposes of this section, the term ''qualified employer'' means any employer with a trade or business located in the Hurricane Katrina disaster area (as so defined).

(e) APPLICATION OF SECTION.—This section shall apply to lodging provided—

(1) after the date of the enactment of this Act, and

(2) before the date which is 1 year after the date of the enactment of this Act.

SEC. 105. HOMELESSNESS PREVENTION.

Notwithstanding any other provision of law, the Director of the Federal Emergency Management Agency (referred to in this section as the ''Director'') shall not cease to make payments for hotel or motel accommodations, or for other short-term temporary housing, on behalf of a victim of Hurricane Katrina or Hurricane Rita who was being assisted in that manner as of November 14, 2005 (referred to in this section as an ''eligible victim''), until such time as the Director determines that—

(1) the eligible victim has located a habitable home;

(2) the Director has provided financial assistance to the eligible victim for use in relocating to that home, and the eligible victim has so relocated; and

(3) the eligible victim is able to afford the rent for that home, either with resources of the eligible victim or through the use of assistance payments from the Director (and, in the case of a victim who can afford that home only through the use of those assistance payments, that the Director has provided the assistance payments for a period of at least 90 days).

SEC. 106. SENSE OF THE SENATE.

It is the sense of the Senate that Congress should develop and provide funding for solutions necessary to address the lack of supply of affordable housing in areas devastated by Hurricane Katrina and Hurricane Rita.

SA 2644. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

SEC. ___. TREATMENT OF BIOFUEL PRODUCTION FACILITIES AS EXEMPT FACILITY BOND.

(a) IN GENERAL.—Subsection (a) of section 142 (relating to exempt facility bond) is amended by striking ''or'' at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting '', or'' and by adding at the end the following new paragraph:

''(16) biofuel production facilities.''.

(b) BIOFUEL PRODUCTION FACILITIES.—Section 142 is amended by adding at the end the following:

''(n) BIOFUEL PRODUCTION FACILITIES.—

''(1) IN GENERAL.—For purposes of subsection (a)(16), the term 'biofuel production facilities' means any facility for the production of any transportation fuel and related byproducts from biomass.

''(2) BIOMASS DEFINED.—For purposes of paragraph (1), the term 'biomass' means any organic matter that is available on a renewable or recurring basis, including agricultural crops and trees, wood and wood wastes and residues, plants (including aquatic plants), grasses, residues, fibers, and animal wastes, municipal wastes, and other waste materials.''.

(c) EFFECTIVE DATE.—The amendments made by this section apply to bonds issued after the date of enactment of this Act.

SA 2645. Mr. COLEMAN (for himself and Mr. PRYOR) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

SEC. ___. WEATHERIZATION ASSISTANCE CREDIT.

(a) IN GENERAL.—Subpart D of Part IV of subchapter A of chapter 1 (relating to business related credits) is amended by inserting after section 45M the following new section:

''SEC. 45N. WEATHERIZATION ASSISTANCE CREDIT.

''(a) GENERAL RULE.—For purposes of section 38, in the case of a utility, the amount of the weatherization assistance credit determined under this section for the taxable year shall be an amount equal to 20 percent of the qualified weatherization assistance expenses.

''(b) DEFINITIONS.—For purposes of this section:

''(1) WEATHERIZATION ASSISTANCE EXPENSES.—The term 'weatherization assistance expenses' means amounts—

''(A) paid by the taxpayer—

''(i) to an entity that is described in section 415(b)(2) of the Energy Conservation and Production Act (42 U.S.C. 6865(b)(2)), that receives funds from the Department of Energy Weatherization Assistance Program as such an entity, and that uses the taxpayer's amounts for the installation of energy efficiency improvements in residences of low-income individuals for purposes of section 415(a)(2) of the Energy Conservation and Production Act (42 U.S.C. 6865(a)(2)), as administered by the Department of Energy, or

''(ii) to a State weatherization agency for use by such agency in its program that enhances or extends the Department of Energy's program described in subparagraph (A), and

''(B) certified to the taxpayer by a State weatherization agency as paid to one or more entities described in subparagraph (A)(i) or to such agency described in subparagraph (A)(ii).

''(2) QUALIFIED WEATHERIZATION ASSISTANCE EXPENSES.—The term 'qualified weatherization assistance expenses' means—

''(A) with respect to the first 5 taxable years ending after the date of enactment of this section, the weatherization assistance expenses for each such year, and

''(B) with respect to a taxable year after the fifth taxable year ending after the date of enactment of this section, the excess (if any) of the weatherization assistance expenses for such year over the weatherization assistance expenses for the fifth taxable year preceding such year.

''(3) UTILITY.—The term 'utility' means a corporation that is engaged in the sale of electric energy or gas and is described in section 7701(a)(33)(A).

''(4) STATE WEATHERIZATION AGENCY.—The term 'State weatherization agency' means the department, agency, board, or other entity of a State that is authorized by such State to administer the weatherization program described in section 415 of the Energy Conservation and Production Act (42 U.S.C. 6865).

''(c) REGULATIONS.—The Secretary shall prescribe regulations necessary to carry out the purposes of this section.''.

(b) CREDIT TREATED AS PART OF GENERAL BUSINESS CREDIT.—Section 38(b) (relating to current year business credit) is amended by striking ''and'' at the end of paragraph (25), striking the period at the end of paragraph (26), and inserting '', and'', and by inserting after paragraph (26) the following new paragraph:

''(27) the weatherization assistance credit determined under section 45N(a).''.

(c) CONFORMING AMENDMENT.—The table of sections for Subpart D of Part IV of subchapter A of chapter 1 (relating to business related credits) is amended by adding after the item relating to section 45M the following new item:

''45N. Weatherization assistance credit''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to weatherization assistance expenses (within the meaning of section 45N of the Internal Revenue Code of 1986) paid or incurred in taxable years ending after the date of enactment of this Act.

SA 2646. Ms. MURKOWSKI submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

SEC. ___. INCOME AVERAGING FOR CERTAIN PUNITIVE DAMAGE AWARD RECIPIENTS.

(a) IN GENERAL.—For purposes of section 1301 of the Internal Revenue Code of 1986—

(1) any individual who receives any punitive damage award as a plaintiff in the Exxon Valdez oil spill litigation (Case No. A89-095-CV (HRH)) in any taxable year shall be treated as engaged in a fishing business (determined without regard to the commercial nature of the business), and

(2) income which is attributable to such award shall be treated as income attributable to such a fishing business for such taxable year.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after the date of the enactment of this Act.

SA 2647. Mr. GRASSLEY (for himself and Mr. BAUCUS) proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

Beginning on page 63, line 18, strike all through page 64, line 15, and insert the following:

SEC. 212. EXTENSION AND INCREASE IN MINIMUM TAX RELIEF TO INDIVIDUALS.

(a) IN GENERAL.—Section 55(d)(1) is amended—

(1) by striking ''$58,000'' and all that follows through ''2005'' in subparagraph (A) and inserting ''$62,550 in the case of taxable years beginning in 2006'', and

(2) by striking ''$40,250'' and all that follows through ''2005'' in subparagraph (B) and inserting ''$42,500 in the case of taxable years beginning in 2006''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

Beginning on page 69, line 6, strike all through page 71, line 13, and insert the following:

(d) EXPANSION OF CREDIT TO EXPENSES OF GENERAL COLLABORATIVE RESEARCH CONSORTIA.—Section 41 is amended—

(1) by striking ''an energy research consortium'' in subsections (a)(3) and (b)(3)(C)(i) and inserting ''a research consortium'',

(2) by striking ''energy'' each place it appears in subsection (f)(6)(A),

(3) by inserting ''or 501(c)(6)'' after ''section 501(c)(3)'' in subsection (f)(6)(A)(i)(I), and

(4) by striking ''ENERGY RESEARCH'' in the heading for subsection (f)(6)(A) and inserting ''RESEARCH'' .

Beginning on page 267, line 12, strike all through page 268, line 15, and insert the following:

(b) APPLICABLE PENALTY.—For purposes of this section, the term ''applicable penalty'' means any penalty, addition to tax, or fine imposed under chapter 68 of the Internal Revenue Code of 1986.

(c) EFFECTIVE DATE.—The provisions of this section shall apply to interest, penalties, additions to tax, and fines with respect to any taxable year if, as of the date of the enactment of this Act, the assessment of any tax, penalty, or interest with respect to such taxable year is not prevented by the operation of any law or rule of law.

On page 310, between lines 10 and 11, insert the following:

(b) LEASES TO FOREIGN ENTITIES.—Section 849(b) of the American Jobs Creation Act of 2004, as amended by subsection (a), is amended by adding at the end the following new paragraph:

''(3) LEASES TO FOREIGN ENTITIES.—In the case of tax-exempt use property leased to a tax-exempt entity which is a foreign person or entity, the amendments made by this part shall apply to taxable years beginning after December 31, 2005, with respect to leases entered into on or before March 12, 2004.''.

On page 310, line 11, strike ''(b)'' and insert ''(c)''.

On page 320, in the table following line 17, strike ''119.5'' and insert ''120''.

On page 322, line 24, insert ''which has an average daily worldwide production of crude oil of at least 500,000 barrels for the taxable year and''

SA 2648. Mr. ROBERTS submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

On page 235, between lines 13 and 14, insert the following:

SEC. 405. EXCLUSION OF CERTAIN AMOUNTS FROM INCOME FOR PURPOSES OF ELIGIBILITY FOR FEDERALLY ASSISTED LOW-INCOME HOUSING PROGRAMS.

The Department of Housing and Urban Development Act (42 U.S.C. 3537a) is amended by inserting after section 12 the following new section:

''SEC. 13. EXCLUSION OF CERTAIN AMOUNTS FROM INCOME.

''(a) IN GENERAL.—Notwithstanding any other provision of law, amounts received by a member of the Armed Forces under section 403 of title 37, United States Code, as a basic allowance for housing may not be treated as income for purposes of determining, for purposes of any program of the Department of Housing and Urban Development (unless a request is made by such member for the receipt of rental assistance under any such program to be treated as such income) or any other agency of the Federal Government for housing assistance (including any program for grants, loans, subsidies, advances, guarantees, credits, tax-exempt bonds, or other financial assistance), the eligibility of the member or the member's family, or a dependent of the member or such dependent's family, for—

''(1) assistance under such program; or

''(2) occupancy in any dwelling unit in any building or project for which assistance under such program is provided—

''(A) to the member or the member's family, or a dependent of the member or such dependent's family directly; or

''(B) to the owner of such building or project.

''(b) OPT OUT.—Each State housing authority may, without penalty, determine if it will provide the exclusion described in subsection (a) to members of the Armed Forces.''.

SA 2649. Mr. MARTINEZ (for himself and Mr. NELSON of Florida) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

On page 16, line 23, strike ''or Mississippi'' and insert ''Mississippi, Florida, or Texas''

On page 17, line 7, strike ''Gulf Opportunity Zone'' and insert ''Katrina, Wilma, and Rita Go Zones''

SA 2650. Mr. FEINGOLD (for himself, Mr. CONRAD, Mr. CHAFEE, Mr. OBAMA, and Mr. SALAZAR) proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the appropriate place, insert the following:

SEC. ____. PAY-AS-YOU-GO POINT OF ORDER IN THE SENATE.

(a) POINT OF ORDER.—

(1) IN GENERAL.—It shall not be in order in the Senate to consider any direct spending or revenue legislation that would increase the on-budget deficit or cause an on-budget deficit for any 1 of the 3 applicable time periods as measured in paragraphs (5) and (6).

(2) APPLICABLE TIME PERIODS.—For purposes of this subsection, the term ''applicable time period'' means any 1 of the 3 following periods:

(A) The first year covered by the most recently adopted concurrent resolution on the budget.

(B) The period of the first 5 fiscal years covered by the most recently adopted concurrent resolution on the budget.

(C) The period of the 5 fiscal years following the first 5 fiscal years covered in the most recently adopted concurrent resolution on the budget.

(3) DIRECT-SPENDING LEGISLATION.—For purposes of this subsection and except as provided in paragraph (4), the term ''direct-spending legislation'' means any bill, joint resolution, amendment, motion, or conference report that affects direct spending as that term is defined by, and interpreted for purposes of, the Balanced Budget and Emergency Deficit Control Act of 1985.

(4) EXCLUSION.—For purposes of this subsection, the terms ''direct-spending legislation'' and ''revenue legislation'' do not include—

(A) any concurrent resolution on the budget; or

(B) any provision of legislation that affects the full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

(5) BASELINE.—Estimates prepared pursuant to this section shall—

(A) use the baseline surplus or deficit used for the most recently adopted concurrent resolution on the budget; and

(B) be calculated under the requirements of subsections (b) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 for fiscal years beyond those covered by that concurrent resolution on the budget.

(6) PRIOR SURPLUS.—If direct spending or revenue legislation increases the on-budget deficit or causes an on-budget deficit when taken individually, it must also increase the on-budget deficit or cause an on-budget deficit when taken together with all direct spending and revenue legislation enacted since the beginning of the calendar year not accounted for in the baseline under paragraph (5)(A), except that direct spending or revenue effects resulting in net deficit reduction enacted pursuant to reconciliation instructions since the beginning of that same calendar year shall not be available.

(b) WAIVER.—This section may be waived or suspended in the Senate only by the affirmative vote of ⅗ of the Members, duly chosen and sworn.

(c) APPEALS.—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of ⅗ of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(d) DETERMINATION OF BUDGET LEVELS.—For purposes of this section, the levels of new budget authority, outlays, and revenues for a fiscal year shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

(e) SUNSET.—This section shall expire on September 30, 2010.

SA 2651. Mr. SUNUNU proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the appropriate place, insert the following:

SEC. ____. REPEAL OF STATE AND LOCAL TAX EXEMPTION FOR FANNIE MAE AND FREDDIE MAC.

(a) FANNIE MAE.—Section 309(c) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1723a(c)) is amended to read as follows:

''(c) [Repealed.]''.

(b) FREDDIE MAC.—Section 303(e) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1452(e)) is amended to read as follows:

''(e) [Repealed.]''.

SA 2652. Mrs. LINCOLN (for herself, Ms. SNOWE, Mr. OBAMA, and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV, add the following:

SEC. ____. $10,000 INCOME THRESHOLD USED TO CALCULATE REFUNDABLE PORTION OF CHILD TAX CREDIT.

(a) IN GENERAL.—Section 24(d) (relating to portion of credit refundable) is amended—

(1) by striking ''as exceeds'' and all that follows through '', or'' in paragraph (1)(B)(i) and inserting ''as exceeds $10,000, or'', and

(2) by striking paragraph (3).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2004.

(c) APPLICATION OF SUNSET TO THIS SECTION.—Each amendment made by this section shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 to the same extent and in the same manner as the provision of such Act to which such amendment relates.

SA 2653. Mr. BAUCUS (for Mr. REID (for himself, Mr. KERRY, Mr. LAUTENBERG, Ms. SNOWE, Mr. SALAZAR, Mr. BINGAMAN, Mr. JEFFORDS, Mr. BAYH, Mrs. CLINTON, Mr. HARKIN, Mrs. FEINSTEIN, and Ms. COLLINS)) proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

Subtitle B—Extending Tax Incentives for Renewable Energy Production and Energy Efficient Construction

SECTION 411. EXTENSION OF RENEWABLE ENERGY PRODUCTION CREDIT THROUGH 2010.

Paragraphs (1), (2), (3), (4), (5), (6), (7), and (9) of section 45(d) (relating to qualified facilities) are amended by striking ''2008'' each place it appears and inserting ''2011''.

SEC. 412. EXTENSION OF RENEWABLE ENERGY INVESTMENT TAX CREDIT THROUGH 2010.

Paragraphs (2)(A)(i)(II) and (3)(A)(ii) (relating to energy credit) is amended by striking ''2008'' both places it appears and inserting ''2011''.

SEC. 413. EXTENSION OF CLEAN RENEWABLE ENERGY BONDS THROUGH 2010.

Section 54(m) (relating to termination) is amended by striking ''2007'' and inserting ''2010''.

SEC. 414. EXTENSION OF ENERGY EFFICIENT COMMERCIAL BUILDINGS DEDUCTION THROUGH 2010.

Section 179D(h) (relating to termination) is amended by striking ''2007'' and inserting ''2010''.

SEC. 415. EXTENSION OF NEW ENERGY EFFICIENT HOME CREDIT THROUGH 2010.

Section 45L(g) (relating to termination) is amended by striking ''2007'' and inserting ''2010''.

SEC. 416. EXTENSION OF RESIDENTIAL RENEWABLE ENERGY EFFICIENT PROPERTY CREDIT THROUGH 2010.

Section 25D(g) is amended to read as follows:

''(a) TERMINATION.—The credit allowed under this section shall not apply to—

''(1) property described in paragraph (1) or (2) of subsection (d) placed in service after December 31, 2010, and

''(2) property described in subsection (d)(3) placed in service after December 31, 2007.''.

SEC. 417. EXTENSION OF NONBUSINESS ENERGY PROPERTY CREDIT THROUGH 2010.

Section 25C(g) (relating to termination) is amended by striking ''2007'' and inserting ''2010''.

SEC. 418. MODIFICATIONS OF EFFECTIVE DATES OF LEASING PROVISIONS OF THE AMERICAN JOBS CREATION ACT OF 2004.

(a) IN GENERAL.—Section 849(b) of the American Jobs Creation Act of 2004 is amended by adding at the end the following new paragraph:

''(5) LEASES TO FOREIGN ENTITIES.—In the case of tax-exempt use property leased to a tax-exempt entity which is a foreign person or entity, the amendments made by this part shall apply to taxable years beginning after December 31, 2004, with respect to leases entered into on or before March 12, 2004.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

SA 2654. Mr. GRASSLEY proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV, add the following:

SEC. _____. SENSE OF THE SENATE.

(a) FINDINGS.—The Senate makes the following findings:

(1) As many as 44,000,000 Americans are estimated to lack health insurance during the course of the year, many of whom are uninsured for a short period of time while a smaller number face longer periods without coverage.

(2) Rising health care costs contribute to the problem of the uninsured and make it more difficult to find a simple solution to make health care affordable.

(3) There is not a one-size fits all solution to address health care coverage issues.

(4) Businesses have competing needs for their resources, including investments to ensure their competitiveness and providing health care coverage for their employees and dependents.

(5) Lower tax rates on dividends and capital gains saved 24,000,000 families an average of nearly $950 on their 2004 taxes, including about 7,000,000 seniors who saved, on average, $1,230 each.

(6) These pro-growth tax cuts have spurred economic development and job creation and have been partly responsible for an increase in tax receipts.

(7) Of the more than 30,000,000 tax returns that included dividend income, those with adjusted gross income of less than $75,000 accounted for 64 percent, or over 19,000,000 of such returns.

(8) Of the nearly 23,000,000 tax returns that included capital gains, 62 percent of these returns, or about 14,000,000, had less than $75,000 in adjusted gross income.

(9) Allowing taxes to increase will make it harder for employers and individuals to afford health care insurance, leading to more individuals without health insurance.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Senate should—

(1) prevent an increase in taxes on millions of Americans by not allowing the tax policy enacted in 2003 to expire; and

(2) extend tax policies that have proven to enhance economic growth, create jobs, and improve business' and individuals' ability to afford health insurance coverage; and

(3) address the multiple aspects of our Nation's health care crisis, including the need to make health care more affordable, to expand coverage, and to strengthen the health care safety net by—

(A) promoting the use of health care technology, which will help reduce medical errors that contribute to higher costs and promote greater efficiency in care delivery;

(B) providing new financial assistance and tax credits to make health insurance more affordable;

(C) creating financial incentives for young adults to purchase lifetime, portable health insurance;

(D) expanding health insurance coverage options for low-income entrepreneurs and self-employed individuals;

(E) increasing access to specialty care within the health care safety net by providing a tax deduction to physician specialists who provide care for patients referred from health care safety net providers;

(F) reducing regulatory burdens on health care safety net providers that lead to higher administrative costs and a diversion of funds that could be spent on patient care; and

(G) improving outreach efforts to maximize participation of eligible beneficiaries in Federal health care safety net programs.

SA 2655. Mr. CRAIG (for himself and Mr. ROCKEFELLER) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF CONGRESS REGARDING DOHA ROUND.

(a) FINDINGS.—The Congress makes the following findings:

(1) Members of the World Trade Organization (WTO) are currently engaged in a round of trade negotiations known as the Doha Development Agenda (Doha Round).

(2) The Doha Round includes negotiations aimed at clarifying and improving disciplines under the Agreement on Implementation of Article VI of the General Agreement on Tariffs and Trade 1994 (Antidumping Agreement) and the Agreement on Subsidies and Countervailing Measures (Subsidies Agreement).

(3) The WTO Ministerial Declaration adopted on November 14, 2001 (WTO Paper No. WT/MIN(01)/DEC/1) specifically provides that the Doha Round negotiations are to preserve the ''basic concepts, principles and effectiveness'' of the Antidumping Agreement and the Subsidies Agreement.

(4) In section 2102(b)(14)(A) of the Bipartisan Trade Promotion Authority Act of 2002, the Congress mandated that the principal negotiating objective of the United States with respect to trade remedy laws was to ''preserve the ability of the United States to enforce rigorously its trade laws . . . and avoid agreements that lessen the effectiveness of domestic and international disciplines on unfair trade, especially dumping and subsidies''.

(5) The countries that have been the most persistent and egregious violators of international fair trade rules are engaged in an aggressive effort to significantly weaken the disciplines provided in the Antidumping Agreement and the Subsidies Agreement and undermine the ability of the United States to effectively enforce its trade remedy laws.

(6) Chronic violators of fair trade disciplines have put forward proposals that would substantially weaken United States trade remedy laws and practices, including mandating that unfair trade orders terminate after a set number of years even if unfair trade and injury are likely to recur, mandating that trade remedy duties reflect less than the full margin of dumping or subsidization, mandating higher de minimis levels of unfair trade, making cumulation of the effects of imports from multiple countries more difficult in unfair trade investigations, outlawing the critical practice of ''zeroing'' in antidumping investigations, mandating the weighing of causes, and mandating other provisions that make it more difficult to prove injury.

(7) United States trade remedy laws have already been significantly weakened by numerous unjust and activist WTO dispute settlement decisions which have created new obligations to which the United States never agreed.

(8) Trade remedy laws remain a critical resource for American manufacturers, agricultural producers, and aquacultural producers in responding to closed foreign markets, subsidized imports, and other forms of unfair trade, particularly in the context of the challenges currently faced by these vital sectors of the United States economy.

(9) The United States had a current account trade deficit of approximately $668,000,000,000 in 2004, including a trade deficit of almost $162,000,000,000 with China alone, as well as a trade deficit of $40,000,000,000 in advanced technology.

(10) United States manufacturers have lost over 3,000,000 jobs since June 2000, and United States manufacturing employment is currently at its lowest level since 1950.

(11) Many industries critical to United States national security are at severe risk from unfair foreign competition.

(12) The Congress strongly believes that the proposals put forward by countries seeking to undermine trade remedy disciplines in the Doha Round would result in serious harm to the United States economy, including significant job losses and trade disadvantages.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1) the United States should not be a signatory to any agreement or protocol with respect to the Doha Development Round of the World Trade Organization negotiations, or any other bilateral or multilateral trade negotiations, that—

(A) adopts any proposal to lessen the effectiveness of domestic and international disciplines on unfair trade or safeguard provisions, including proposals—

(i) mandating that unfair trade orders terminate after a set number of years even if unfair trade and injury are likely to recur;

(ii) mandating that trade remedy duties reflect less than the full margin of dumping or subsidization;

(iii) mandating higher de minimis levels of unfair trade;

(iv) making cumulation of the effects of imports from multiple countries more difficult in unfair trade investigations;

(v) outlawing the critical practice of ''zeroing'' in antidumping investigations; or

(vi) mandating the weighing of causes or other provisions making it more difficult to prove injury in unfair trade cases; and

(B) would lessen in any manner the ability of the United States to enforce rigorously its trade laws, including the antidumping, countervailing duty, and safeguard laws;

(2) the United States trade laws and international rules appropriately serve the public interest by offsetting injurious unfair trade, and that further ''balancing modifications'' or other similar provisions are unnecessary and would add to the complexity and difficulty of achieving relief against injurious unfair trade practices; and

(3) the United States should ensure that any new agreement relating to international disciplines on unfair trade or safeguard provisions fully rectifies and corrects decisions by WTO dispute settlement panels or the Appellate Body that have unjustifiably and negatively impacted, or threaten to negatively impact, United States law or practice, including a law or practice with respect to foreign dumping or subsidization.

SA 2656. Ms. SNOWE (for herself and Ms. COLLINS) submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

On page 321, strike line 1 and all that follows through page 323, line 6, and insert the following:

SEC. ___. INCREASED LIHEAP FUNDING FOR 2006.

With respect to fiscal year 2006, in addition to amounts appropriated under any other provision of law, for making payments under title XXVI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 8621 et seq.), $2,920,000,000, shall be appropriated to distribute funds to all the States in accordance with section 2604 of that Act (42 U.S.C. 8623) (other than subsection (e) of such section).

SEC.___. MODIFICATIONS OF FOREIGN TAX CREDIT RULES APPLICABLE TO DUAL CAPACITY TAXPAYERS.

(a) IN GENERAL.—Section 901 (relating to credit for taxes of foreign countries and of possessions of the United States) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) SPECIAL RULES RELATING TO DUAL CAPACITY TAXPAYERS.—

''(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, any amount paid or accrued by a dual capacity taxpayer to a foreign country or possession of the United States for any period shall not be considered a tax—

''(A) if, for such period, the foreign country or possession does not impose a generally applicable income tax, or

''(B) to the extent such amount exceeds the amount (determined in accordance with regulations) which—

''(i) is paid by such dual capacity taxpayer pursuant to the generally applicable income tax imposed by the country or possession, or

''(ii) would be paid if the generally applicable income tax imposed by the country or possession were applicable to such dual capacity taxpayer.

Nothing in this paragraph shall be construed to imply the proper treatment of any such amount not in excess of the amount determined under subparagraph (B).

''(2) DUAL CAPACITY TAXPAYER.—For purposes of this subsection, the term 'dual capacity taxpayer' means, with respect to any foreign country or possession of the United States, a person who—

''(A) is subject to a levy of such country or possession, and

''(B) receives (or will receive) directly or indirectly a specific economic benefit (as determined in accordance with regulations) from such country or possession.

''(3) GENERALLY APPLICABLE INCOME TAX.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'generally applicable income tax' means an income tax (or a series of income taxes) which is generally imposed under the laws of a foreign country or possession on income derived from the conduct of a trade or business within such country or possession.

''(B) EXCEPTIONS.—Such term shall not include a tax unless it has substantial application, by its terms and in practice, to—

''(i) persons who are not dual capacity taxpayers, and

''(ii) persons who are citizens or residents of the foreign country or possession.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after the date of the enactment of this Act.

(2) CONTRARY TREATY OBLIGATIONS UPHELD.—The amendments made by this section shall not apply to the extent contrary to any treaty obligation of the United States.

SEC. ___. RULES RELATING TO FOREIGN OIL AND GAS INCOME.

(a) SEPARATE BASKET FOR FOREIGN TAX CREDIT.—

(1) YEARS BEFORE 2007.—Paragraph (1) of section 904(d) (relating to separate application of section with respect to certain categories of income), as in effect for years beginning before 2007, is amended by striking ''and'' at the end of subparagraph (H), by redesignating subparagraph (I) as subparagraph (J), and by inserting after subparagraph (H) the following new subparagraph:

''(I) foreign oil and gas income, and''.

(2) 2007 AND AFTER.—Paragraph (1) of section 904(d), as in effect for years beginning after 2006, is amended by striking ''and'' at the end of subparagraph (A), by striking the period at the end of subparagraph (B) and inserting '', and'', and by adding at the end the following:

''(C) foreign oil and gas income.''

(b) DEFINITION.—

(1) YEARS BEFORE 2007.—Paragraph (2) of section 904(d), as in effect for years beginning before 2007, is amended by redesignating subparagraphs (H) and (I) as subparagraphs (I) and (J), respectively, and by inserting after subparagraph (G) the following new subparagraph:

''(H) FOREIGN OIL AND GAS INCOME.—The term 'foreign oil and gas income' has the meaning given such term by section 954(g).''

(2) 2007 AND AFTER.—Section 904(d)(2), as in effect for years after 2006, is amended by redesignating subparagraphs (J) and (K) as subparagraphs (K) and (L) and by inserting after subparagraph (I) the following:

''(J) FOREIGN OIL AND GAS INCOME.—For purposes of this section—

''(i) IN GENERAL.—The term 'foreign oil and gas income' has the meaning given such term by section 954(g).

''(ii) COORDINATION.—Passive category income and general category income shall not include foreign oil and gas income (as so defined).''

(c) CONFORMING AMENDMENTS.—

(1) Section 904(d)(3)(F)(i) is amended by striking ''or (E)'' and inserting ''(E), or (I)''.

(2) Section 907(a) is hereby repealed.

(3) Section 907(c)(4) is hereby repealed.

(4) Section 907(f) is hereby repealed.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

(2) YEARS AFTER 2006.—The amendments made by paragraphs (1)(B) and (2)(B) shall apply to taxable years beginning after December 31, 2006.

(3) TRANSITIONAL RULES.—

(A) SEPARATE BASKET TREATMENT.—Any taxes paid or accrued in a taxable year beginning on or before the date of the enactment of this Act, with respect to income which was described in subparagraph (I) of section 904(d)(1) of such Code (as in effect on the day before the date of the enactment of this Act), shall be treated as taxes paid or accrued with respect to foreign oil and gas income to the extent the taxpayer establishes to the satisfaction of the Secretary of the Treasury that such taxes were paid or accrued with respect to foreign oil and gas income.

(B) CARRYOVERS.—Any unused oil and gas extraction taxes which under section 907(f) of such Code (as so in effect) would have been allowable as a carryover to the taxpayer's first taxable year beginning after the date of the enactment of this Act (without regard to the limitation of paragraph (2) of such section 907(f) for first taxable year) shall be allowed as carryovers under section 904(c) of such Code in the same manner as if such taxes were unused taxes under such section 904(c) with respect to foreign oil and gas extraction income.

(C) LOSSES.—The amendment made by subsection (c)(3) shall not apply to foreign oil and gas extraction losses arising in taxable years beginning on or before the date of the enactment of this Act.

SEC. ___. REVALUATION OF LIFO INVENTORIES OF LARGE INTEGRATED OIL COMPANIES.

(a) GENERAL RULE.—Notwithstanding any other provision of law, if a taxpayer is an applicable integrated oil company for its last taxable year ending in calendar year 2005, the taxpayer shall—

(1) increase, effective as of the close of such taxable year, the value of each historic LIFO layer of inventories of crude oil, natural gas, or any other petroleum product (within the meaning of section 4611) by the layer adjustment amount, and

(2) decrease its cost of goods sold for such taxable year by the aggregate amount of the increases under paragraph (1).

If the aggregate amount of the increases under paragraph (1) exceed the taxpayer's cost of goods sold for such taxable year, the taxpayer's gross income for such taxable year shall be increased by the amount of such excess.

(b) LAYER ADJUSTMENT AMOUNT.—For purposes of this section—

(1) IN GENERAL.—The term ''layer adjustment amount'' means, with respect to any historic LIFO layer, the product of—

(A) $24.00, and

(B) the number of barrels of crude oil (or in the case of natural gas or other petroleum products, the number of barrel-of-oil equivalents) represented by the layer.

(2) BARREL-OF-OIL EQUIVALENT.—The term ''barrel-of-oil equivalent'' has the meaning given such term by section 29(d)(5) (as in effect before its redesignation by the Energy Tax Incentives Act of 2005).

(c) APPLICATION OF REQUIREMENT.—

(1) NO CHANGE IN METHOD OF ACCOUNTING.—Any adjustment required by this section shall not be treated as a change in method of accounting.

(2) UNDERPAYMENTS OF ESTIMATED TAX.—No addition to the tax shall be made under section 6655 of the Internal Revenue Code of 1986 (relating to failure by corporation to pay estimated tax) with respect to any underpayment of an installment required to be

paid with respect to the taxable year described in subsection (a) to the extent such underpayment was created or increased by this section.

(d) APPLICABLE INTEGRATED OIL COMPANY.—For purposes of this section, the term ''applicable integrated oil company'' means an integrated oil company (as defined in section 291(b)(4) of the Internal Revenue Code of 1986) which had gross receipts in excess of $1,000,000,000 for its last taxable year ending during calendar year 2005 and which has an average daily worldwide production of crude oil of at least 250,000 barrels for such taxable year. For purposes of this subsection, all persons treated as a single employer under subsections (a) and (b) of section 52 of the Internal Revenue Code of 1986 shall be treated as 1 person and, in the case of a short taxable year, the rule under section 448(c)(3)(B) shall apply.

SA 2657. Mr. ROCKEFELLER (for himself, Mr. HATCH, Mr. BOND, Ms. MIKULSKI, Mr. LOTT, Ms. SNOWE, and Mrs. FEINSTEIN) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

SECTION ___. EXCLUSION OF GAIN FROM SALE OF A PRINCIPAL RESIDENCE BY CERTAIN EMPLOYEES OF THE INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—Subparagraph (A) of section 121(d)(9) (relating to exclusion of gain from sale of principal residence) is amended by striking ''duty'' and all that follows and inserting ''duty—

''(i) as a member of the uniformed services,

''(ii) as a member of the Foreign Service of the United States, or

''(iii) as an employee of the intelligence community.''.

(b) EMPLOYEE OF INTELLIGENCE COMMUNITY DEFINED.—Subparagraph (C) of section 121(d)(9) is amended by redesignating clause (iv) as clause (v) and by inserting after clause (iii) the following new clause:

''(iv) EMPLOYEE OF INTELLIGENCE COMMUNITY.—The term 'employee of the intelligence community' means an employee (as defined by section 2105 of title 5, United States Code) of—

''(I) the Office of the Director of National Intelligence,

''(II) the Central Intelligence Agency,

''(III) the National Security Agency,

''(IV) the Defense Intelligence Agency,

''(V) the National Geospatial-Intelligence Agency,

''(VI) the National Reconnaissance Office,

''(VII) any other office within the Department of Defense for the collection of specialized national intelligence through reconnaissance programs,

''(VIII) any of the intelligence elements of the Army, the Navy, the Air Force, the Marine Corps, the Federal Bureau of Investigation, the Department of Treasury, the Department of Energy, and the Coast Guard,

''(IX) the Bureau of Intelligence and Research of the Department of State, or

''(X) any of the elements of the Department of Homeland Security concerned with the analyses of foreign intelligence information.''.

(c) SPECIAL RULE.—Subparagraph (C) of section 121(d)(9), as amended by subsection (b), is amended by adding at the end the following new clause:

''(vi) SPECIAL RULE RELATING TO INTELLIGENCE COMMUNITY.—An employee of the intelligence community shall not be treated as serving on qualified extended duty unless—

''(I) for purposes of such duty such employee has moved from 1 duty station to another, and

''(II) at least 1 of such duty stations is located outside of the Washington, District of Columbia, and Baltimore metropolitan statistical areas (as defined by the Secretary of Commerce).''.

(d) CONFORMING AMENDMENT.—The heading for section 121(d)(9) is amended to read as follows: ''UNIFORMED SERVICES, FOREIGN SERVICE, AND INTELLIGENCE COMMUNITY''.

(e) EFFECTIVE DATE; SPECIAL RULE.—

(1) EFFECTIVE DATE.—The amendments made by this section shall take effect as if included in the amendments made by section 312 of the Taxpayer Relief Act of 1997.

(2) WAIVER OF LIMITATIONS.—If refund or credit of any overpayment of tax resulting from the amendments made by this section is prevented at any time before the close of the 1-year period beginning on the date of the enactment of this Act by the operation of any law or rule of law (including res judicata), such refund or credit may nevertheless be made or allowed if claim therefor is filed before the close of such period.

SA 2658. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of the bill add the following:

SECTION 1. VALUATION OF EMPLOYEE PERSONAL USE OF NONCOMMERCIAL AIRCRAFT.

(a) IN GENERAL.—For purposes of Federal income tax inclusion, the value of any employee personal use of noncommercial aircraft shall equal the excess (if any) of—

(1) greater of—

(A) the fair market value of such use, or

(B) the actual cost of such use (including all fixed and variable costs), over

(2) any amount paid by or on behalf of such employee for such use.

(b) EFFECTIVE DATE.—Subsection (a) shall apply to * * *

SA 2659. Mr. LAUTENBERG submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING TESTIMONY OF CERTAIN OIL COMPANY EXECUTIVES.

(a) FINDINGS.—The Senate makes the following findings:

(1) On November 9, 2005, the Senate Committee on Energy and Natural Resources and the Senate Committee on Commerce, Science and Transportation held a joint hearing on ''Energy Pricing and Profits''.

(2) The chief executive officers of the 5 largest oil companies appeared as witnesses at the joint hearing on ''Energy Prices and Profits''.

(3) Section 1001 of title 18, United States Code, prohibits any ''materially false, fictitious, or fraudulent statement or representation'' at a Senate hearing.

(4) A White House document obtained by The Washington Post contradicts the testimony of some of these witnesses.

(b) SENSE OF THE SENATE.—It is the sense of the Senate that the Attorney General of the United States should promptly begin an investigation to determine whether the testimony given by any of the oil company executives at the November 9, 2005, joint hearing (referred to in subsection (a)(1)) violated section 1001 of title 18, United States Code, or other applicable statutes.

SA 2660. Mr. DODD (for himself and Ms. MIKULSKI) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

SEC. 405. MODIFICATION OF TAX RATES ON CAPITAL GAINS AND DIVIDENDS FOR INDIVIDUALS WITH $1,000,000 OR MORE OF TAXABLE INCOME.

(a) MODIFICATION OF TAX RATES ON CAPITAL GAINS AND DIVIDENDS FOR INDIVIDUALS WITH $1,000,000 OR MORE OF TAXABLE INCOME.—

(1) IN GENERAL.—Section 1(h) is amended by adding at the end the following new paragraph:

''(12) MODIFIED RATES FOR INDIVIDUALS WITH $1,000,000 OR MORE OF TAXABLE INCOME.—If a taxpayer has taxable income of $1,000,000 or more for any taxable year—

''(A) paragraph (11) (relating to dividends taxed as capital gain) shall not apply to any qualified dividend income of the taxpayer for the taxable year, and

''(B) paragraph (1)(C) shall be applied by substituting '20 percent' for '15 percent' with respect to the adjusted net capital gain of the taxpayer for the taxable year, determined by only taking into account gain or loss properly allocable to the portion of the taxable year after December 31, 2005.''

(2) APPLICATION TO MINIMUM TAX.—Section 55(b)(3) is amended by adding at the end the following new sentence: ''In the case of a taxpayer with alternative minimum taxable income of $1,000,000 or more for any taxable year, the rules of section 1(h)(12) shall apply for purposes of this paragraph.''

(3) EFFECTIVE DATES.—

(A) CAPITAL GAINS.—Section 1(h)(12)(B) of the Internal Revenue Code of 1986 (as added by paragraph (1)) shall apply to taxable years beginning after December 31, 2005.

(B) DIVIDEND RATES.—Section 1(h)(12)(A) of such Code (as added by paragraph (1)) shall apply to dividends received after December 31, 2005.

(4) APPLICATION OF JGTRRA SUNSET.—The amendment made by this subsection shall be subject to section 303 of the Jobs and Growth Tax Relief Reconciliation Act of 2003 to the same extent and in the same manner as the provision of such Act to which such amendment relates.

(b) DEDICATION OF RESULTING REVENUES.—

(1) NO CHILD LEFT BEHIND TRUST FUND.—Subchapter A of chapter 98 (relating to trust fund code) is amended by adding at the end the following new section:

''SEC. 9511. NO CHILD LEFT BEHIND TRUST FUND.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'No Child Left Behind Trust Fund', consisting of any amount appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

''(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the No Child Left Behind Trust Fund the following amounts equivalent to the increased revenues received in the Treasury as the result of the amendment made by section 405(a) of the Tax Relief Act of 2005:

''(1) In the case of fiscal year 2006, $4,085,000,000.

''(2) In the case of fiscal year 2007, $4,543,000,000.

''(3) In the case of fiscal year 2008, $4,725,000,000.

''(c) EXPENDITURES FROM TRUST FUND.—Amounts in the No Child Left Behind Trust Fund shall be available for fiscal years beginning after 2005, as provided by appropriation Acts, to carry out programs under the Elementary and Secondary Education Act of 1965 in accordance with the provisions of, and amendments made by, the No Child Left Behind Act of 2001.''.

(2) MILITARY RESTORATION TRUST FUND.—Subchapter A of chapter 98 (relating to trust fund code), as amended by paragraph (1), is amended by adding at the end the following new section:

''SEC. 9512. MILITARY RESTORATION TRUST FUND.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Military Restoration Trust Fund', consisting of any amount appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

''(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Military Restoration Trust Fund the following amounts equivalent to the increased revenues received in the Treasury as the result of the amendment made by section 405(a) of the Tax Relief Act of 2005:

''(1) In the case of fiscal year 2006, $4,085,000,000.

''(2) In the case of fiscal year 2007, $4,543,000,000.

''(3) In the case of fiscal year 2008, $4,725,000,000.

''(c) EXPENDITURES FROM TRUST FUND.—Amounts in the Military Restoration Trust Fund shall be available for fiscal years beginning after 2005, as provided by appropriation Acts, to replenish equipment and vehicle stocks of the Marine Corps and the Army (including the National Guard and Reserve) that have been damaged or destroyed as a result of Operation Iraqi Freedom and Operation Enduring Freedom.''.

(3) CLERICAL AMENDMENTS.—The table of sections for such subchapter is amended by adding at the end the following new items:

''Sec. 9511. No Child Left Behind Trust Fund.

''Sec. 9512. Military Restoration Trust Fund.''.

SA 2661. Mr. DAYTON submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

On page 235, between lines 13 and 14, insert the following:

SEC. ___. VALUATION OF EMPLOYEE PERSONAL USE OF NONCOMMERCIAL AIRCRAFT.

(a) IN GENERAL.—For purposes of Federal income tax inclusion, the value of any employee personal use of noncommercial aircraft shall equal the excess (if any) of—

(1) greater of—

(A) the fair market value of such use, or

(B) the actual cost of such use (including all fixed and variable costs), over

(2) any amount paid by or on behalf of such employee for such use.

(b) EFFECTIVE DATE.—Subsection (a) shall apply to use after the date of the enactment of this Act.

SA 2662. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

SEC. ___. SENSE OF THE SENATE REGARDING THE DEDICATION OF EXCESS FUNDS.

It is the sense of the Senate that any increases in revenues to the Treasury as a result of this Act and the amendments made by this Act that exceed the amounts specified in the reconciliation instructions shall be dedicated to the Low-Income Home Energy Assistance Program, in an amount not to exceed the amount which is $2,900,000,000 more than the funding levels established for such Program for fiscal year 2005.

SA 2663. Mr. HATCH submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

On page 84, strike lines 20 through 25, and on page 85, strike lines 1 through 5.

SA 2664. Mr. LEVIN submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the end of subtitle A of title V, add the following:

SEC. 504. PENALTY FOR PROMOTING ABUSIVE TAX SHELTERS.

(a) PENALTY FOR PROMOTING ABUSIVE TAX SHELTERS.—Section 6700 (relating to promoting abusive tax shelters, etc.) is amended—

(1) by redesignating subsections (b) and (c) as subsections (d) and (e), respectively,

(2) by striking ''a penalty'' and all that follows through the period in the first sentence of subsection (a) and inserting ''a penalty determined under subsection (b)'', and

(3) by inserting after subsection (a) the following new subsections:

''(b) AMOUNT OF PENALTY; CALCULATION OF PENALTY; LIABILITY FOR PENALTY.—

''(1) AMOUNT OF PENALTY.—The amount of the penalty imposed by subsection (a) shall not exceed the greater of—

''(A) 100 percent of the gross income derived (or to be derived) from such activity by the person or persons subject to such penalty, and

''(B) if readily subject to calculation, the total amount of underpayment by the taxpayer (including penalties, interest, and taxes) in connection with such activity.

''(2) CALCULATION OF PENALTY.—The penalty amount determined under paragraph (1) shall be calculated with respect to each instance of an activity described in subsection (a), each instance in which income was derived by the person or persons subject to such penalty, and each person who participated in such an activity.

''(3) LIABILITY FOR PENALTY.—If more than 1 person is liable under subsection (a) with respect to such activity, all such persons shall be jointly and severally liable for the penalty under such subsection.

''(c) PENALTY NOT DEDUCTIBLE.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.''.

(b) CONFORMING AMENDMENT.—Section 6700(a) is amended by striking the last sentence.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to activities after the date of the enactment of this Act.

SEC. 505. PENALTY FOR AIDING AND ABETTING THE UNDERSTATEMENT OF TAX LIABILITY.

(a) IN GENERAL.—Section 6701(a) (relating to imposition of penalty) is amended—

(1) by striking ''preparation or presentation of'' and inserting ''tax liability reflected in'' in paragraph (1),

(2) by inserting ''aid, assistance, procurement, or advice with respect to such'' before ''portion'' both places it appears in paragraphs (2) and (3), and

(3) by inserting ''instance of aid, assistance, procurement, or advice or each such'' before ''document'' in the matter following paragraph (3).

(b) AMOUNT OF PENALTY.—Subsection (b) of section 6701 (relating to penalties for aiding and abetting understatement of tax liability) is amended to read as follows:

''(b) AMOUNT OF PENALTY; CALCULATION OF PENALTY; LIABILITY FOR PENALTY.—

''(1) AMOUNT OF PENALTY.—The amount of the penalty imposed by subsection (a) shall not exceed the greater of—

''(A) 100 percent of the gross income derived (or to be derived) from such aid, assistance, procurement, or advice provided by the person or persons subject to such penalty, and

''(B) if readily subject to calculation, the total amount of underpayment by the taxpayer (including penalties, interest, and taxes) in connection with the understatement of the liability for tax.

''(2) CALCULATION OF PENALTY.—The penalty amount determined under paragraph (1) shall be calculated with respect to each instance of aid, assistance, procurement, or advice described in subsection (a), each instance in which income was derived by the person or persons subject to such penalty, and each person who made such an understatement of the liability for tax.

''(3) LIABILITY FOR PENALTY.—If more than 1 person is liable under subsection (a) with respect to providing such aid, assistance, procurement, or advice, all such persons shall be jointly and severally liable for the penalty under such subsection.''.

(c) PENALTY NOT DEDUCTIBLE.—Section 6701 is amended by adding at the end the following new subsection:

''(g) PENALTY NOT DEDUCTIBLE.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to activities after the date of the enactment of this Act.

SA 2665. Mr. HARKIN (for himself and Mr. OBAMA) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV, add the following:

SEC. ___. RESTORATION OF THE PHASEOUT OF PERSONAL EXEMPTIONS AND THE OVERALL LIMITATION ON ITEMIZED DEDUCTION; REDUCTION IN INCOME THRESHOLD USED TO CALCULATE REFUNDABLE PORTION OF CHILD TAX CREDIT.

(a) RESTORATION OF THE PHASEOUT OF PERSONAL EXEMPTIONS AND THE OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.—

(1) RESTORATION OF PHASEOUT OF PERSONAL EXEMPTIONS.—

(A) IN GENERAL.—Paragraph (3) of section 151(d) (relating to exemption amount) is amended by striking subparagraphs (E) and (F).

(B) EFFECTIVE DATE.—The amendment made by this paragraph shall apply to taxable years beginning after December 31, 2005.

(2) RESTORATION OF PHASEOUT OF OVERALL LIMITATION ON ITEMIZED DEDUCTIONS.—

(A) IN GENERAL.—Section 68 is amended by striking subsections (f) and (g).

(B) EFFECTIVE DATE.—The amendment made by this paragraph shall apply to taxable years beginning after December 31, 2005.

(b) REDUCTION IN INCOME THRESHOLD USED TO CALCULATE REFUNDABLE PORTION OF CHILD TAX CREDIT.—

(1) IN GENERAL.—Section 24(d) (relating to portion of credit refundable) is amended—

(A) by striking ''as exceeds'' and all that follows through '', or'' in paragraph (1)(B)(i) and inserting ''as exceeds $9,000 (or $10,000 in the case of taxable years beginning in 2006), or'',

(B) by striking ''2001, the $10,000 amount'' in paragraph (3) and inserting ''2006, the $9,000 amount'', and

(C) by striking ''2000'' in paragraph (3)(B) and inserting ''2005''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to taxable years beginning after December 31, 2005.

(3) APPLICATION OF SUNSET TO THIS SECTION.—Each amendment made by this subsection shall be subject to title IX of the Economic Growth and Tax Relief Reconciliation Act of 2001 to the same extent and in the same manner as the provision of such Act to which such amendment relates.

SA 2666. Mr. PRYOR (for himself and Mr. COLEMAN) submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. CREDIT TO HOLDERS OF RURAL RENAISSANCE BONDS.

(a) IN GENERAL.—Subpart H of part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by adding at the end the following new section:

"SEC. 54A. CREDIT TO HOLDERS OF RURAL RENAISSANCE BONDS.

''(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a rural renaissance bond on a credit allowance date of such bond, which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

''(b) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a rural renaissance bond is 25 percent of the annual credit determined with respect to such bond.

''(2) ANNUAL CREDIT.—The annual credit determined with respect to any rural renaissance bond is the product of—

''(A) the credit rate determined by the Secretary under paragraph (3) for the day on which such bond was sold, multiplied by

''(B) the outstanding face amount of the bond.

''(3) DETERMINATION.—For purposes of paragraph (2), with respect to any rural renaissance bond, the Secretary shall determine daily or caused to be determined daily a credit rate which shall apply to the first day on which there is a binding, written contract for the sale or exchange of the bond. The credit rate for any day is the credit rate which the Secretary or the Secretary's designee estimates will permit the issuance of rural renaissance bonds with a specified maturity or redemption date without discount and without interest cost to the qualified issuer.

''(4) CREDIT ALLOWANCE DATE.—For purposes of this section, the term 'credit allowance date' means—

''(A) March 15,

''(B) June 15,

''(C) September 15, and

''(D) December 15.

Such term also includes the last day on which the bond is outstanding.

''(5) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed or matures.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(1) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(2) the sum of the credits allowable under this part (other than subpart C thereof, relating to refundable credits).

''(d) RURAL RENAISSANCE BOND.—For purposes of this section—

''(1) IN GENERAL.—The term 'rural renaissance bond' means any bond issued as part of an issue if—

''(A) the bond is issued by a qualified issuer,

''(B) 95 percent or more of the proceeds from the sale of such issue are to be used for capital expenditures incurred for 1 or more qualified projects,

''(C) the qualified issuer designates such bond for purposes of this section and the bond is in registered form, and

''(D) the issue meets the requirements of subsections (e) and (h).

''(2) QUALIFIED PROJECT; SPECIAL USE RULES.—

''(A) IN GENERAL.—The term 'qualified project' means 1 or more projects described in subparagraph (B) located in a rural area.

''(B) PROJECTS DESCRIBED.—A project described in this subparagraph is—

''(i) a water or waste treatment project,

''(ii) an affordable housing project,

''(iii) a community facility project, including hospitals, fire and police stations, and nursing and assisted-living facilities,

''(iv) a value-added agriculture or renewable energy facility project for agricultural producers or farmer-owned entities, including any project to promote the production, processing, or retail sale of ethanol (including fuel at least 85 percent of the volume of which consists of ethanol), biodiesel, animal waste, biomass, raw commodities, or wind as a fuel,

''(v) a distance learning or telemedicine project,

''(vi) a rural utility infrastructure project, including any electric or telephone system,

''(vii) a project to expand broadband technology,

''(viii) a rural teleworks project, and

''(ix) any project described in any preceding clause carried out by the Delta Regional Authority.

''(C) SPECIAL RULES.—For purposes of this paragraph—

''(i) any project described in subparagraph (B)(iv) for a farmer-owned entity may be considered a qualified project if such entity is located in a rural area, or in the case of a farmer-owned entity the headquarters of which are located in a nonrural area, if the project is located in a rural area, and

''(ii) any project for a farmer-owned entity which is a facility described in subparagraph (B)(iv) for agricultural producers may be considered a qualified project regardless of whether the facility is located in a rural or nonrural area.

''(3) SPECIAL USE RULES.—

''(A) REFINANCING RULES.—For purposes of paragraph (1)(B), a qualified project may be refinanced with proceeds of a rural renaissance bond only if the indebtedness being refinanced (including any obligation directly or indirectly refinanced by such indebtedness) was originally incurred after the date of the enactment of this section.

''(B) REIMBURSEMENT.—For purposes of paragraph (1)(B), a rural renaissance bond may be issued to reimburse a borrower for amounts paid after the date of the enactment of this section with respect to a qualified project, but only if—

''(i) prior to the payment of the original expenditure, the borrower declared its intent to reimburse such expenditure with the proceeds of a rural renaissance bond,

''(ii) not later than 60 days after payment of the original expenditure, the qualified issuer adopts an official intent to reimburse the original expenditure with such proceeds, and

''(iii) the reimbursement is made not later than 18 months after the date the original expenditure is paid.

''(C) TREATMENT OF CHANGES IN USE.—For purposes of paragraph (1)(B), the proceeds of an issue shall not be treated as used for a qualified project to the extent that a borrower takes any action within its control which causes such proceeds not to be used for a qualified project. The Secretary shall prescribe regulations specifying remedial actions that may be taken (including conditions to taking such remedial actions) to prevent an action described in the preceding sentence from causing a bond to fail to be a rural renaissance bond.

''(e) MATURITY LIMITATIONS.—

''(1) DURATION OF TERM.—A bond shall not be treated as a rural renaissance bond if the maturity of such bond exceeds the maximum term determined by the Secretary under paragraph (2) with respect to such bond.

''(2) MAXIMUM TERM.—During each calendar month, the Secretary shall determine the maximum term permitted under this paragraph for bonds issued during the following calendar month. Such maximum term shall be the term which the Secretary estimates will result in the present value of the obligation to repay the principal on the bond being equal to 50 percent of the face amount of such bond. Such present value shall be determined without regard to the requirements of subsection (f)(3) and using as a discount rate the average annual interest rate of tax-exempt obligations having a term of 10 years or more which are issued during the month. If

the term as so determined is not a multiple of a whole year, such term shall be rounded to the next highest whole year.

''(3) RATABLE PRINCIPAL AMORTIZATION REQUIRED.—A bond shall not be treated as a rural renaissance bond unless it is part of an issue which provides for an equal amount of principal to be paid by the qualified issuer during each calendar year that the issue is outstanding.

''(f) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

''(1) NATIONAL LIMITATION.—There is a rural renaissance bond limitation of $200,000,000.

''(2) ALLOCATION BY SECRETARY.—The Secretary shall allocate the amount described in paragraph (1) among qualified issuers in such manner as the Secretary determines appropriate.

''(g) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

''(h) SPECIAL RULES RELATING TO EXPENDITURES.—

''(1) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if, as of the date of issuance, the qualified issuer reasonably expects—

''(A) at least 95 percent of the proceeds from the sale of the issue are to be spent for 1 or more qualified projects within the 5-year period beginning on the date of issuance of the rural renaissance bond,

''(B) a binding commitment with a third party to spend at least 10 percent of the proceeds from the sale of the issue will be incurred within the 6-month period beginning on the date of issuance of the rural renaissance bond or, in the case of a rural renaissance bond, the proceeds of which are to be loaned to 2 or more borrowers, such binding commitment will be incurred within the 6-month period beginning on the date of the loan of such proceeds to a borrower, and

''(C) such projects will be completed with due diligence and the proceeds from the sale of the issue will be spent with due diligence.

''(2) EXTENSION OF PERIOD.—Upon submission of a request prior to the expiration of the period described in paragraph (1)(A), the Secretary may extend such period if the qualified issuer establishes that the failure to satisfy the 5-year requirement is due to reasonable cause and the related projects will continue to proceed with due diligence.

''(3) FAILURE TO SPEND REQUIRED AMOUNT OF BOND PROCEEDS WITHIN 5 YEARS.—To the extent that less than 95 percent of the proceeds of such issue are expended by the close of the 5-year period beginning on the date of issuance (or if an extension has been obtained under paragraph (2), by the close of the extended period), the qualified issuer shall redeem all of the nonqualified bonds within 90 days after the end of such period. For purposes of this paragraph, the amount of the nonqualified bonds required to be redeemed shall be determined in the same manner as under section 142.

''(i) SPECIAL RULES RELATING TO ARBITRAGE.—A bond which is part of an issue shall not be treated as a rural renaissance bond unless, with respect to the issue of which the bond is a part, the qualified issuer satisfies the arbitrage requirements of section 148 with respect to proceeds of the issue.

''(j) QUALIFIED ISSUER.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified issuer' means any not-for-profit cooperative lender which has as of the date of the enactment of this section received a guarantee under section 306 of the Rural Electrification Act and which meets the requirement of paragraph (2).

''(2) USER FEE REQUIREMENT.—The requirement of this paragraph is met if the issuer of any rural rennaissance bond makes grants for qualified projects as defined under subsection (d)(2) on a semi-annual basis every year that such bond is outstanding in an annual amount equal to one-half of the rate on United States Treasury Bills of the same maturity multiplied by the outstanding principle balance of rural rennaissance bonds issued by such issuer.

''(k) SPECIAL RULES RELATING TO POOL BONDS.—No portion of a pooled financing bond may be allocable to loan unless the borrower has entered into a written loan commitment for such portion prior to the issue date of such issue.

''(l) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) BOND.—The term 'bond' includes any obligation.

''(2) POOLED FINANCING BOND.—The term 'pooled financing bond' shall have the meaning given such term by section 149(f)(4)(A).

''(3) RURAL AREA.—The term 'rural area' means any area other than—

''(A) a city or town which has a population of greater than 50,000 inhabitants, or

''(B) the urbanized area contiguous and adjacent to such a city or town.

''(4) PARTNERSHIP; S CORPORATION; AND OTHER PASS-THRU ENTITIES.—

''(A) IN GENERAL.—Under regulations prescribed by the Secretary, in the case of a partnership, trust, S corporation, or other pass-thru entity, rules similar to the rules of section 41(g) shall apply with respect to the credit allowable under subsection (a).

''(B) NO BASIS ADJUSTMENT.—In the case of a bond held by a partnership or an S corporation, rules similar to the rules under section 1397E(i) shall apply.

''(5) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any rural renaissance bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

''(6) REPORTING.—Issuers of rural renaissance bonds shall submit reports similar to the reports required under section 149(e).''.

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

''(9) REPORTING OF CREDIT ON RURAL RENAISSANCE BONDS.—

SA 2667. Ms. SNOWE (for herself, Mr. BINGAMAN, Ms. COLLINS, and Mr. REED) proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

At the end of title IV add the following:

SEC. ____. IMPOSITION OF WITHHOLDING ON CERTAIN PAYMENTS MADE BY GOVERNMENT ENTITIES AND FUNDING OF LIHEAP TRUST FUND.

(a) IMPOSITION OF WITHHOLDING ON CERTAIN PAYMENTS MADE BY GOVERNMENT ENTITIES.—

(1) IN GENERAL.—Section 3402 is amended by adding at the end the following new subsection:

''(t) EXTENSION OF WITHHOLDING TO CERTAIN PAYMENTS MADE BY GOVERNMENT ENTITIES.—

''(1) GENERAL RULE.—The Government of the United States, every State, every political subdivision thereof, and every instrumentality of the foregoing (including multi-State agencies) making any payment for goods and services which is subject to withholding shall deduct and withhold form such payment a tax in an amount equal to 1.75 percent of such payment.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply to any payment—

''(A) except as provided in subparagraph (B), which is subject to withholding under any other provision of this chapter or chapter 3,

''(B) which is subject to withholding under section 3406 and from which amounts are being withheld under such section,

''(C) of interest,

''(D) for real property,

''(E) to any tax-exempt entity, foreign government, or other entity subject to the requirements of paragraph (1),

''(F) made pursuant to a classified or confidential contract (as defined in section 6050M(e)(3)), and

''(G) made by a political subdivision of a State (or any instrumentality thereof) which makes less than $100,000,000 of such payments annually.

''(3) COORDINATION WITH OTHER SECTIONS.—For purposes of sections 3403 and 3404 and for purposes of so much of subtitle F (except section 7205) as relates to this chapter, payments to any person of any payment for goods and services which is subject to withholding shall be treated as if such payments were wages paid by an employer to an employee.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to payments made after December 31, 2005.

(b) LOW INCOME HOME ENERGY ASSISTANCE TRUST FUND.—

(1) IN GENERAL.—Subchapter A of chapter 98 (relating to trust fund code) is amended by adding at the end the following new section:

''SEC. 9511. LOW-INCOME HOME ENERGY ASSISTANCE TRUST FUND.

''(a) CREATION OF TRUST FUND.—There is established in the Treasury of the United States a trust fund to be known as the 'Low-Income Home Energy Assistance Trust Fund', consisting of any amount appropriated or credited to the Trust Fund as provided in this section or section 9602(b).

''(b) TRANSFERS TO TRUST FUND.—There are hereby appropriated to the Low-Income Home Energy Assistance Trust Fund amounts equivalent to the increased revenues received in the Treasury as the result of the amendment made by section 410(a) of the Tax Relief Act of 2005.

''(c) EXPENDITURES FROM TRUST FUND.—Amounts in the Low Income Home Energy Assistance Trust Fund not to exceed $2,920,000,000 shall be available for fiscal year 2006, as provided by appropriation Acts, to carry out the program under the Low-Income Home Energy Assistance Act of 1981 through the distribution of funds to all the States in accordance with section 2604 of that Act (42 U.S.C. 8623) (other than subsection (e) of such section), but only if not less than $1,880,000,000 has been appropriated for such program for such fiscal year.''.

(2) CLERICAL AMENDMENT.—The table of sections for such subchapter is amended by adding at the end the following new item:

''Sec. 9511. Low-Income Home Energy Assistance Trust Fund.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsection (a) shall take effect as if included in the enactment of the American Jobs Creation Act of 2004.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall take effect on the date of the enactment of this Act.

SA 2668. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; which

was ordered to lie on the table; as follows:

At the end of title IV, insert the following:

SEC. ___. REPEAL OF REDUCTION IN CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(a) IN GENERAL.—Section 30(b) (relating to limitations on credit for qualified electric vehicles) is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to vehicles placed in service after December 31, 2005.

SA 2669. Ms. LANDRIEU (for herself and Mr. VITTER) proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

On page 35, between lines 16 and 17, insert the following:

SEC. 104. HOUSING RELIEF FOR INDIVIDUALS AFFECTED BY HURRICANE KATRINA.

(a) EXCLUSION OF EMPLOYER PROVIDED HOUSING FOR INDIVIDUAL AFFECTED BY HURRICANE KATRINA.—

(1) IN GENERAL.—For purposes of the Internal Revenue Code of 1986, gross income of a qualified employee shall not include the value of any lodging furnished to such employee, such employee's spouse, or any of such employee's dependents by or on behalf of a qualified employer for any month during the taxable year.

(2) LIMITATION.—The amount which may be excluded under subsection (a) for any month for which lodging is furnished during the taxable year shall not exceed $600.

(3) TREATMENT OF EXCLUSION.—For purposes of the Internal Revenue Code of 1986 (other than sections 3121(a)(19) and 3306(b)(14), an exclusion under subsection (a) shall be treated as an exclusion under section 119 of such Code.

(b) EMPLOYER CREDIT FOR HOUSING EMPLOYEES AFFECTED BY HURRICANE KATRINA.—

(1) IN GENERAL.—In the case of a qualified employer, there shall be allowed as a credit against the tax imposed by chapter 1 of the Internal Revenue Code of 1986 for any month during the taxable year an amount equal to 30 percent of any amount which is excludable from the gross income of a qualified employee of such employer under subsection (a).

(2) CERTAIN RULES TO APPLY.—For purposes of this section, rules similar to the rules of section 280C(a) of such Code shall apply.

(3) CREDIT TO BE PART OF GENERAL BUSINESS CREDIT.—The credit allowed under this section shall be added to the current year business credit under section 38(b) of such Code and shall be treated as a credit allowed under subpart D of part IV of subchapter A of such Code.

(c) QUALIFIED EMPLOYEE.—For purposes of this section, the term ''qualified employee'' means, with respect to any month, an individual—

(1) who had a principal residence (as defined in section 121 of the Internal Revenue Code of 1986) in the go zone (as defined in section 1400N(1) of such Code) on August 28, 2005, and

(2) who performs not less than 80 percent of the employment services for a qualified employer in the Hurricane Katrina disaster area (as so defined).

(d) QUALIFIED EMPLOYER.—For purposes of this section, the term ''qualified employer'' means any employer with a trade or business located in the Hurricane Katrina disaster area (as so defined).

(e) APPLICATION OF SECTION.—This section shall apply to lodging provided—

(1) after the date of the enactment of this Act, and

(2) before the date which is 6 months after the date of the enactment of this Act, and

(3) no credit with respect to such lodging shall be claimed before October 1, 2006.

SA 2670. Mr. GRASSLEY (for himself and Mr. BAUCUS) proposed an amendment to the bill S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006; as follows:

On page 82, between lines 20 and 21, insert the following:

SEC. 224. EXTENSION OF FULL CREDIT FOR QUALIFIED ELECTRIC VEHICLES.

(a) IN GENERAL.—Section 30(b) (relating to limitations) is amended by striking paragraph (2) and by redesignating paragraph (3) as paragraph (2).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to taxable years beginning after December 31, 2005.

On page 107, between lines 4 and 5, insert the following:

SEC. 307. ENCOURAGEMENT OF CONTRIBUTIONS OF CAPITAL GAIN REAL PROPERTY MADE FOR CONSERVATION PURPOSES.

(a) IN GENERAL.—

(1) INDIVIDUALS.—Paragraph (1) of subsection 170(b) (relating to percentage limitations) is amended by redesignating subparagraphs (E) and (F) as subparagraphs (F) and (G), respectively, and by inserting after subparagraph (D) the following new subparagraph:

''(E) CONTRIBUTIONS OF QUALIFIED CONSERVATION CONTRIBUTIONS.—

''(i) IN GENERAL.—Any qualified conservation contribution (as defined in subsection (h)(1)) to an organization described in subparagraph (A) shall be allowed to the extent the aggregate of such contributions does not exceed the excess of 50 percent of the taxpayer's contribution base over the amount of all other charitable contributions allowable under this paragraph.

''(ii) CARRYOVER.—If the aggregate amount of contributions described in clause (i) exceeds the limitation of clause (i), such excess shall be treated (in a manner consistent with the rules of subsection (d)(1)) as a charitable contribution to which clause (i) applies in each of the 15 succeeding years in order of time.

''(iii) COORDINATION WITH OTHER SUBPARAGRAPHS.—For purposes of applying this subsection and subsection (d)(1), contributions described in clause (i) shall not be treated as described in subparagraph (A), (B), (C), or (D).

''(iv) QUALIFIED FARMER OR RANCHER.—

''(I) IN GENERAL.—If the individual is a qualified farmer or rancher for the taxable year in which the contribution is made, clause (i) shall be applied by substituting '100 percent' for '50 percent'.

''(II) DEFINITION.—For purposes of subclause (I), the term 'qualified farmer or rancher' means a taxpayer whose gross income from the trade or business of farming (within the meaning of section 2032A(e)(5)) is greater than 50 percent of the taxpayer's gross income for the taxable year.''.

(2) CORPORATIONS.—Paragraph (2) of section 170(b) is amended to read as follows:

''(2) CORPORATIONS.—In the case of a corporation—

''(A) IN GENERAL.—The total deductions under subsection (a) for any taxable year (other than for contributions to which subparagraph (B) applies) shall not exceed 10 percent of the taxpayer's taxable income.

''(B) QUALIFIED CONSERVATION CONTRIBUTIONS BY CERTAIN CORPORATE FARMERS AND RANCHERS.—

''(i) IN GENERAL.—Any qualified conservation contribution (as defined in subsection (h)(1)) made—

''(I) by a corporation which, for the taxable year during which the contribution is made, is a qualified farmer or rancher (as defined in paragraph (1)(E)(iv)(II)) and the stock of which is not readily tradable on an established securities market at any time during such year, and

''(II) to an organization described in paragraph (1)(A),

shall be allowed to the extent the aggregate of such contributions does not exceed the excess of the taxpayer's taxable income over the amount of charitable contributions allowable under subparagraph (A).

''(ii) CARRYOVER.—If the aggregate amount of contributions described in clause (i) exceeds the limitation of clause (i), such excess shall be treated (in a manner consistent with the rules of subsection (d)(2)) as a charitable contribution to which clause (i) applies in each of the 15 succeeding years in order of time.

''(C) TAXABLE INCOME.—For purposes of this paragraph, taxable income shall be computed without regard to—

''(i) this section,

''(ii) part VIII (except section 248),

''(iii) any net operating loss carrryback to the taxable year under section 172,

''(iv) section 199, and

''(v) any capital loss carryback to the taxable year under section 1212(a)(1).''.

(b) CONFORMING AMENDMENTS.—

(1) The second sentence of clause (i) of section 170(b)(1)(C) is amended by striking ''subparagraph (D)'' and inserting ''subparagraph (D) or (E)''.

(2) Clause (i) of section 170(b)(1)(D) is amended by striking ''subparagraph (A)'' and inserting ''subparagraphs (A) or (E)''.

(3) Paragraph (2) of section 170(d) is amended by striking ''subsection (b)(2)'' each place it appears and inserting ''subsection (b)(2)(A)''.

(4) Section 545(b)(2) is amended by striking ''and (D)'' and inserting ''(D), and (E)''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made in taxable years beginning after December 31, 2005, and before January 1, 2008.

SEC. 308. ENHANCED DEDUCTION FOR CHARITABLE CONTRIBUTION OF LITERARY, MUSICAL, ARTISTIC, AND SCHOLARLY COMPOSITIONS.

(a) IN GENERAL.—Subsection (e) of section 170 (relating to certain contributions of ordinary income and capital gain property), as amended by this section 33 of this Act, is amended by adding at the end the following new paragraph:

''(18) SPECIAL RULE FOR CERTAIN CONTRIBUTIONS OF LITERARY, MUSICAL, ARTISTIC, OR SCHOLARLY COMPOSITIONS.—

''(A) IN GENERAL.—In the case of a qualified artistic charitable contribution—

''(i) the amount of such contribution taken into account under this section shall be the fair market value of the property contributed (determined at the time of such contribution), and

''(ii) no reduction in the amount of such contribution shall be made under paragraph (1).

''(B) QUALIFIED ARTISTIC CHARITABLE CONTRIBUTION.—For purposes of this paragraph, the term 'qualified artistic charitable contribution' means a charitable contribution of any literary, musical, artistic, or scholarly composition, or similar property, or the copyright thereon (or both), but only if—

''(i) such property was created by the personal efforts of the taxpayer making such

contribution no less than 18 months prior to such contribution,

''(ii) the taxpayer—

''(I) has received a qualified appraisal of the fair market value of such property in accordance with the regulations under this section, and

''(II) attaches to the taxpayer's income tax return for the taxable year in which such contribution was made a copy of such appraisal,

''(iii) the donee is an organization described in subsection (b)(1)(A),

''(iv) the use of such property by the donee is related to the purpose or function constituting the basis for the donee's exemption under section 501 (or, in the case of a governmental unit, to any purpose or function described under section 501(c)),

''(v) the taxpayer receives from the donee a written statement representing that the donee's use of the property will be in accordance with the provisions of clause (iv), and

''(vi) the written appraisal referred to in clause (ii) includes evidence of the extent (if any) to which property created by the personal efforts of the taxpayer and of the same type as the donated property is or has been—

''(I) owned, maintained, and displayed by organizations described in subsection (b)(1)(A), and

''(II) sold to or exchanged by persons other than the taxpayer, donee, or any related person (as defined in section 465(b)(3)(C)).

''(C) MAXIMUM DOLLAR LIMITATION; NO CARRYOVER OF INCREASED DEDUCTION.—The increase in the deduction under this section by reason of this paragraph for any taxable year—

''(i) shall not exceed the artistic adjusted gross income of the taxpayer for such taxable year, and

''(ii) shall not be taken into account in determining the amount which may be carried from such taxable year under subsection (d).

''(D) ARTISTIC ADJUSTED GROSS INCOME.—For purposes of this paragraph, the term 'artistic adjusted gross income' means that portion of the adjusted gross income of the taxpayer for the taxable year attributable to—

''(i) income from the sale or use of property created by the personal efforts of the taxpayer which is of the same type as the donated property, and

''(ii) income from teaching, lecturing, performing, or similar activity with respect to property described in clause (i).

''(E) PARAGRAPH NOT TO APPLY TO CERTAIN CONTRIBUTIONS.—Subparagraph (A) shall not apply to any charitable contribution of any letter, memorandum, or similar property which was written, prepared, or produced by or for an individual while the individual is an officer or employee of any person (including any government agency or instrumentality) unless such letter, memorandum, or similar property is entirely personal.

''(F) COPYRIGHT TREATED AS SEPARATE PROPERTY FOR PARTIAL INTEREST RULE.—In the case of a qualified artistic charitable contribution, the tangible literary, musical, artistic, or scholarly composition, or similar property and the copyright on such work shall be treated as separate properties for purposes of this paragraph and subsection (f)(3).

''(G) TERMINATION.—This paragraph shall not apply to contributions made after December 31, 2007.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made after December 31, 2005.

SEC. 309. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS EXCLUDED FROM GROSS INCOME.

(a) IN GENERAL.—Part III of subchapter B of chapter 1 is amended by inserting after section 139A the following new section:

''SEC. 139B. MILEAGE REIMBURSEMENTS TO CHARITABLE VOLUNTEERS.

''(a) IN GENERAL.—Gross income of an individual does not include amounts received, from an organization described in section 170(c), as reimbursement of operating expenses with respect to use of a passenger automobile for the benefit of such organization. The preceding sentence shall apply only to the extent that the expenses which are reimbursed would be deductible under this chapter if section 274(d) were applied—

''(1) by using the standard business mileage rate established under such section, and

''(2) as if the individual were an employee of an organization not described in section 170(c).

''(b) APPLICATION TO VOLUNTEER SERVICES ONLY.—Subsection (a) shall not apply with respect to any expenses relating to the performance of services for compensation.

''(c) NO DOUBLE BENEFIT.—A taxpayer may not claim a deduction or credit under any other provision of this title with respect to the expenses under subsection (a).

''(d) EXEMPTION FROM REPORTING REQUIREMENTS.—Section 6041 shall not apply with respect to reimbursements excluded from income under subsection (a).

''(e) TERMINATION.—This section shall not apply to taxable years beginning after December 31, 2007.''.

(b) CLERICAL AMENDMENT.—The table of sections for part III of subchapter B of chapter 1 is amended by inserting after the item relating to section 139 the following new item:

''Sec. 139A. Mileage reimbursements to charitable volunteers''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

SEC. 310. ALTERNATIVE PERCENTAGE LIMITATION FOR CORPORATE CHARITABLE CONTRIBUTIONS TO THE MATHEMATICS AND SCIENCE PARTNERSHIP PROGRAM.

(a) IN GENERAL.—Section 170(b) (related to percentage limitations) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULE FOR CORPORATE CONTRIBUTIONS TO THE MATHEMATICS AND SCIENCE PARTNERSHIP PROGRAM.—

''(A) IN GENERAL.—In the case of a corporation which makes an eligible mathematics and science contribution—

''(i) the limitation under paragraph (2) shall apply separately with respect to all such contributions and all other charitable contributions, and

''(ii) paragraph (2) shall be applied with respect to all eligible mathematics and science contributions by substituting '15 percent' for '10 percent'.

''(B) ELIGIBLE MATHEMATICS AND SCIENCE CONTRIBUTION.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'eligible mathematics and science contribution' means a charitable contribution (other than a contribution of used equipment) to a qualified partnership for the purpose of an activity described in section 2202(c) of the Elementary and Secondary Education Act of 1965..

''(ii) QUALIFIED PARTNERSHIP.—The term 'qualified partnership' means an eligible partnership (within the meaning of section 2201(b)(1) of the Elementary and Secondary Education Act of 1965), but only to the extent that such partnership does not include a person other than a person described in paragraph (1)(A).

''(C) TERMINATION.—This paragraph shall not apply to any contributions made in taxable years beginning after December 31, 2006.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after December 31, 2005.

On page 149, line 7, strike ''$100'' and insert ''$250''.

Beginning on page 150, line 4, strike all through page 151, line 2 and insert the following:

SEC. 318. MODIFICATION OF RECORDKEEPING REQUIREMENTS FOR CERTAIN CHARITABLE CONTRIBUTIONS.

(a) RECORDKEEPING REQUIREMENT.—Subsection (f) of section 170, as amended by section 317 of this Act, is amended by adding at the end the following new paragraph:

''(16) RECORDKEEPING.—No deduction shall be allowed under subsection (a) for any contribution of a cash, check, or other monetary gift unless the donor maintains as a record of such contribution—

''(A) a cancelled check, or

''(B) a receipt or a letter or other written communication from the donee showing the name of the donee organization, the date of the contribution, and the amount of the contribution.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to contributions made in taxable years beginning after the date of the enactment of this Act.

On page 172, after line 21, add the following:

SEC. 322. EXPANSION OF THE BASE OF TAX ON PRIVATE FOUNDATION NET INVESTMENT INCOME.

(a) GROSS INVESTMENT INCOME.—

(1) IN GENERAL.—Paragraph (2) of section 4940(c) (relating to gross investment income) is amended by adding at the end the following new sentence: ''Such term shall also include income from sources similar to those in the preceding sentence.''.

(2) CONFORMING AMENDMENT.—Subsection (e) of section 509 (relating to gross investment income) is amended by adding at the end the following new sentence: ''Such term shall also include income from sources similar to those in the preceding sentence.''.

(b) CAPITAL GAIN NET INCOME.—Paragraph (4) of section 4940(c) (relating to capital gains and losses) is amended—

(1) in subparagraph (A), by striking ''used for the production of interest, dividends, rents, and royalties'' and inserting ''used for the production of gross investment income (as defined in paragraph (2))'', and

(2) in subparagraph (C), by inserting ''or carrybacks'' after ''carryovers''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after the date of the enactment of this Act.

SEC. 323. DEFINITION OF CONVENTION OR ASSOCIATION OF CHURCHES.

Section 7701 (relating to definitions) is amended by redesignating subsection(o) as subsection (p) and by inserting after subsection (n) the following new subsection:

''(o) CONVENTION OR ASSOCIATION OF CHURCHES.—For purposes of this title, any organization which is otherwise a convention or association of churches shall not fail to so qualify merely because the membership of such organization includes individuals as well as churches or because individuals have voting rights in such organization.''.

SEC. 324. NOTIFICATION REQUIREMENT FOR ENTITIES NOT CURRENTLY REQUIRED TO FILE.

(a) IN GENERAL.—Section 6033 (relating to returns by exempt organizations), as amended by section 346 of this Act, is amended by redesignating subsection (j) as subsection (k) and by inserting after subsection (i) the following new subsection:

''(j) ADDITIONAL NOTIFICATION REQUIREMENTS.—Any organization the gross receipts of which in any taxable year result in such organization being referred to in subsection (a)(3)(A)(ii) or (a)(3)(B)—

''(1) shall furnish annually, at such time and in such manner as the Secretary may by forms or regulations prescribe, information setting forth—

''(A) the legal name of the organization,

''(B) any name under which such organization operates or does business,

''(C) the organization's mailing address and Internet web site address (if any),

''(D) the organization's taxpayer identification number,

''(E) the name and address of a principal officer, and

''(F) evidence of the continuing basis for the organization's exemption from the filing requirements under subsection (a)(1), and

''(2) upon the termination of the existence of the organization, shall furnish notice of such termination.''.

(b) LOSS OF EXEMPT STATUS FOR FAILURE TO FILE RETURN OR NOTICE.—Section 6033 (relating to returns by exempt organizations), as amended by subsection (a), is amended by redesignating subsection (k) as subsection (l) and by inserting after subsection (j) the following new subsection:

''(k) LOSS OF EXEMPT STATUS FOR FAILURE TO FILE RETURN OR NOTICE.—

''(1) IN GENERAL.—If an organization described in subsection (a)(1) or (i) fails to file an annual return or notice required under either subsection for 3 consecutive years, such organization's status as an organization exempt from tax under section 501(a) shall be considered revoked on and after the date set by the Secretary for the filing of the third annual return or notice. The Secretary shall publish and maintain a list of any organization the status of which is so revoked.

''(2) APPLICATION NECESSARY FOR REINSTATEMENT.—Any organization the tax-exempt status of which is revoked under paragraph (1) must apply in order to obtain reinstatement of such status regardless of whether such organization was originally required to make such an application.

''(3) RETROACTIVE REINSTATEMENT IF REASONABLE CAUSE SHOWN FOR FAILURE.—If upon application for reinstatement of status as an organization exempt from tax under section 501(a), an organization described in paragraph (1) can show to the satisfaction of the Secretary evidence of reasonable cause for the failure described in such paragraph, the organization's exempt status may, in the discretion of the Secretary, be reinstated effective from the date of the revocation under such paragraph.''.

(c) NO DECLARATORY JUDGMENT RELIEF.—Section 7428(b) (relating to limitations) is amended by adding at the end the following new paragraph:

''(4) NONAPPLICATION FOR CERTAIN REVOCATIONS.—No action may be brought under this section with respect to any revocation of status described in section 6033(k)(1).''.

(d) NO INSPECTION REQUIREMENT.—Section 6104(b) (relating to inspection of annual information returns) is amended by inserting ''(other than subsection (j) thereof)'' after ''6033''.

(e) NO DISCLOSURE REQUIREMENT.—Section 6104(d)(3) (relating to exceptions from disclosure requirements) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

''(B) NONDISCLOSURE OF ANNUAL NOTICES.—Paragraph (1) shall not require the disclosure of any notice required under section 6033(j).''.

(f) NO MONETARY PENALTY FOR FAILURE TO NOTIFY.—Section 6652(c)(1) (relating to annual returns under section 6033 or 6012(a)(6)) is amended by adding at the end the following new subparagraph:

''(E) NO PENALTY FOR CERTAIN ANNUAL NOTICES.—This paragraph shall not apply with respect to any notice required under section 6033(j).''.

(g) SECRETARIAL OUTREACH REQUIREMENTS.—

(1) NOTICE REQUIREMENT.—The Secretary of the Treasury shall notify in a timely manner every organization described in section 6033(j) of the Internal Revenue Code of 1986 (as added by this section) of the requirement under such section 6033(j) and of the penalty established under section 6033(k)—

(A) by mail, in the case of any organization the identity and address of which is included in the list of exempt organizations maintained by the Secretary, and

(B) by Internet or other means of outreach, in the case of any other organization.

(2) LOSS OF STATUS PENALTY FOR FAILURE TO FILE RETURN.—The Secretary of the Treasury shall publicize in a timely manner in appropriate forms and instructions and through other appropriate means, the penalty established under section 6033(k) of such Code for the failure to file a return under section 6033(a)(1) of such Code.

(h) EFFECTIVE DATE.—The amendments made by this section shall apply to notices and returns with respect to annual periods beginning after 2005

SEC. 325. DISCLOSURE TO STATE OFFICIALS OF PROPOSED ACTIONS RELATED TO EXEMPT ORGANIZATIONS.

(a) IN GENERAL.—Subsection (c) of section 6104 is amended by striking paragraph (2) and inserting the following new paragraphs:

''(2) DISCLOSURE OF PROPOSED ACTIONS RELATED TO CHARITABLE ORGANIZATIONS.—

''(A) SPECIFIC NOTIFICATIONS.—In the case of an organization to which paragraph (1) applies, the Secretary may disclose to the appropriate State officer—

''(i) a notice of proposed refusal to recognize such organization as an organization described in section 501(c)(3) or a notice of proposed revocation of such organization's recognition as an organization exempt from taxation,

''(ii) the issuance of a letter of proposed deficiency of tax imposed under section 507 or chapter 41 or 42, and

''(iii) the names, addresses, and taxpayer identification numbers of organizations which have applied for recognition as organizations described in section 501(c)(3).

''(B) ADDITIONAL DISCLOSURES.—Returns and return information of organizations with respect to which information is disclosed under subparagraph (A) may be made available for inspection by or disclosed to an appropriate State officer.

''(C) PROCEDURES FOR DISCLOSURE.—Information may be inspected or disclosed under subparagraph (A) or (B) only—

''(i) upon written request by an appropriate State officer, and

''(ii) for the purpose of, and only to the extent necessary in, the administration of State laws regulating such organizations.

Such information may only be inspected by or disclosed to representatives of the appropriate State officer designated as the individuals who are to inspect or to receive the returns or return information under this paragraph on behalf of such officer. Such representatives shall not include any contractor or agent.

''(D) DISCLOSURES OTHER THAN BY REQUEST.—The Secretary may make available for inspection or disclose returns and return information of an organization to which paragraph (1) applies to an appropriate State officer of any State if the Secretary determines that such inspection or disclosure may facilitate the resolution of Federal or State issues relating to the tax-exempt status of such organization.

''(3) DISCLOSURE WITH RESPECT TO CERTAIN OTHER EXEMPT ORGANIZATIONS.—Upon written request by an appropriate State officer, the Secretary may make available for inspection or disclosure returns and return information of an organization described in paragraph (2), (4), (6), (7), (8), (10), or (13) of section 501(c) for the purpose of, and to the extent necessary in, the administration of State laws regulating the solicitation or administration of the charitable funds or charitable assets of such organizations. Such information may be inspected only by or disclosed only to representatives of the appropriate State officer designated as the individuals who are to inspect or to receive the returns or return information under this paragraph on behalf of such officer. Such representatives shall not include any contractor or agent.

''(4) USE IN CIVIL JUDICIAL AND ADMINISTRATIVE PROCEEDINGS.—Returns and return information disclosed pursuant to this subsection may be disclosed in civil administrative and civil judicial proceedings pertaining to the enforcement of State laws regulating such organizations in a manner prescribed by the Secretary similar to that for tax administration proceedings under section 6103(h)(4).

''(5) NO DISCLOSURE IF IMPAIRMENT.—Returns and return information shall not be disclosed under this subsection, or in any proceeding described in paragraph (4), to the extent that the Secretary determines that such disclosure would seriously impair Federal tax administration.

''(6) DEFINITIONS.—For purposes of this subsection—

''(A) RETURN AND RETURN INFORMATION.—The terms 'return' and 'return information' have the respective meanings given to such terms by section 6103(b).

''(B) APPROPRIATE STATE OFFICER.—The term 'appropriate State officer' means—

''(i) the State attorney general,

''(ii) the State tax officer,

''(iii) in the case of an organization to which paragraph (1) applies, any other State official charged with overseeing organizations of the type described in section 501(c)(3), and

''(iv) in the case of an organization to which paragraph (3) applies, the head of an agency designated by the State attorney general as having primary responsibility for overseeing the solicitation of funds for charitable purposes.''.

(b) CONFORMING AMENDMENTS.—

(1) Subparagraph (A) of section 6103(p)(3) is amended by inserting ''an section 6104(c)'' after ''section'' in the first sentence.

(2) Paragraph (4) of section 6103(p) is amended—

(A) in the matter preceding subparagraph (A), by inserting '', or any appropriate State officer (as defined in section 6104(c)),'' before ''or any other person'',

(B) in subparagraph (F)(i), by inserting ''or any appropriate State officer (as defined in section 6104(c)),'' before ''or any other person'', and

(C) in the matter following subparagraph (F), by inserting '', an appropriate State officer (as defined in section 6104(c)),'' after ''including an agency'' each place it appear.

(3) The heading for paragraph (1) of section 6104(c) is amended by inserting ''FOR CHARITABLE ORGANIZATIONS'' after ''RULE''.

(4) Paragraph (2) of section 7213(a) is amended by inserting ''or under section 6104(c)'' after ''6103''.

(5) Paragraph (2) of section 7213A(a) is amended by inserting ''or 6104(c)'' after ''6103''.

(6) Paragraph (2) of section 7431(a) is amended by inserting ''(including any disclosure in violation of section 6014(c)'' after ''6103''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the

date of the enactment of this Act but shall not apply to requests made before such date.

On page 174, line 4, strike ''121st day'' and insert ''181st day''.

On page 174, line 6, strike ''121st day'' and insert ''181st day''.

On page 174, line 10, strike ''121st day'' and insert ''181st day''.

On page 174, line 12, strike ''121st day'' and insert ''181st day''.

On page 176, line 25, strike ''5'' and insert ''the applicable percentage''.

On page 177, line 1, strike ''percent''.

On page 178, line 2, strike ''5 percent'' and insert ''the applicable percentage''.

On page 178, between lines 4 and 5, insert the following:

''(4) APPLICABLE PERCENTAGE.—For purposes of paragraphs (1) and (3), the applicable percentage is—

''(A) 3 percent for the first taxable year beginning after the date of the enactment of this section,

''(B) 4 percent for the second taxable year beginning after such date, and

''(C) 5 percent for any taxable year beginning after the second taxable year beginning after such date.

On page 178, strike lines 9 through 15 and insert the following:

''(A) any amount paid by the sponsoring organization from a donor advised fund—

''(i) to any organization described in section 170(b)(1)(A) (other than any organization described in section 509(a)(3)) or any sponsoring organization if such amount is for maintenance in a donor advised fund), and

''(ii) notwithstanding clause (i), to any organization described section 170(f)(17)(B)(ii), but only to the extent not prohibited by regulations, and

On page 179, strike lines 1 through 3 and insert the following:

''(2) DISTRIBUTIONS TO SPONSORING ORGANIZATIONS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), such term shall include any distribution to a sponsoring organization.

''(B) ORGANIZATION LEVEL DISTRIBUTIONS.—For purposes of subsection (c)(1)(B), such term shall not include any distribution to a sponsoring organization unless such distribution is designated for use in connection with a charitable program of such organization.

On page 185, line 9, strike ''section 4967(g)(2)(C)'' and insert ''section 4967(g)(2)(A)(iii)''.

On page 186, strike lines 7 through 14 and insert the following:

''(c) TAXABLE DISTRIBUTION.—For purposes of this subsection—

''(1) IN GENERAL.—The term 'taxable distribution' means any distribution from a donor advised fund to any person other than the sponsoring organization's non donor advised funds or accounts or organizations described in section 170(b)(1)(A) (other than any organization described in section 509(a)(3) or any sponsoring organization if such amount is for maintenance in a donor advised fund).

''(2) EXCEPTION.—Notwithstanding paragraph (1), such term shall not include any distribution from a donor advised fund to any organization described section 170(f)(17)(B)(ii) to the extent such distribution is not prohibited under regulations.

On page 189, line 17, strike ''121st day'' and insert ''181st day''.

On page 190, line 22, strike ''4967(g)(2)(C)'' and insert ''4967(g)(2)(A)(iii)''.

On page 192, lines 18 and 19, strike ''provided by the sponsoring organization in connection with'' and insert ''from''.

Beginning on page 193, line 17 strike all through page 196, line 4 and insert the following:

SEC. 333. TREATMENT OF CHARITABLE CONTRIBUTION DEDUCTIONS TO DONOR ADVISED FUNDS.

(a) INCOME.—Section 170(f) (relating to disallowance of deduction in certain cases and special rules), as amended by section 318 of this Act, is amended by adding at the end the following new paragraph:

''(17) CONTRIBUTIONS TO DONOR ADVISED FUNDS.—

''(A) IN GENERAL.—A deduction otherwise allowed under subsection (a) for any contribution to a sponsoring organization (as defined in section 4967(g)(1)) to be maintained in any donor advised fund (as defined in section 4967(g)(2)) of such organization shall only be allowed if—

''(i) such sponsoring organization is not described in paragraph (3), (4), or (5) of subsection (c) or section 509(a)(3), and

''(ii) the taxpayer obtains a contemporaneous written acknowledgment (determined under rules similar to the rules of paragraph (8)(C) from the sponsoring organization that such organization has exclusive legal control over the assets contributed.

''(B) CONTRIBUTIONS TO TYPE I OR TYPE II SUPPORTING ORGANIZATIONS.—

''(i) IN GENERAL.—Notwithstanding subparagraph (A)(i), a contribution to a sponsoring organization (as so defined) described in clause (ii) to be maintained in any donor advised fund (as so defined) of such organization shall be allowed to the extent not prohibited by regulations.

''(ii) ORGANIZATION DESCRIBED.—An organization is described in this clause if the organization meets the requirements of subparagraphs (A) and (C) of section 509(a)(3) and is—

''(I) operated, supervised, or controlled by one or more organizations described in paragraph (1) or (2) of section 509(a), or

''(II) supervised or controlled in connection with one or more such organizations.''.

(b) ESTATE.—Section 2055(e) is amended by adding at the end the following new paragraph:

''(5) CONTRIBUTIONS TO DONOR ADVISED FUNDS.—

''(A) IN GENERAL.—A deduction otherwise allowed under subsection (a) for any contribution to a sponsoring organization (as defined in section 4967(g)(1)) to be maintained in any donor advised fund (as defined in section 4967(g)(2)) of such organization shall only be allowed if—

''(i) such sponsoring organization is not described in paragraph (3) or(4) of subsection (a) or section 509(a)(3), and

''(ii) the taxpayer obtains a contemporaneous written acknowledgment (determined under rules similar to the rules of section 170(f)(8)(C)) from the sponsoring organization that such organization has exclusive legal control over the assets contributed.

''(B) CONTRIBUTIONS TO TYPE I OR TYPE II SUPPORTING ORGANIZATIONS.—

''(i) IN GENERAL.—Notwithstanding subparagraph (A)(i), a contribution to a sponsoring organization (as so defined) described in clause (ii) to be maintained in any donor advised fund (as so defined) of such organization shall be allowed to the extent not prohibited by regulations.

''(ii) ORGANIZATION DESCRIBED.—An organization is described in this clause if the organization meets the requirements of subparagraphs (A) and (C) of section 509(a)(3) and is—

''(I) operated, supervised, or controlled by one or more organizations described in paragraph (1) or (2) of section 509(a), or

''(II) supervised or controlled in connection with one or more such organizations.''.

(c) GIFT.—Section 2522(c) is amended by adding at the end the following new paragraph:

''(13) CONTRIBUTIONS TO DONOR ADVISED FUNDS.—

''(A) IN GENERAL.—A deduction otherwise allowed under subsection (a) for any contribution to a sponsoring organization (as defined in section 4967(g)(1)) to be maintained in any donor advised fund (as defined in section 4967(g)(2)) of such organization shall only be allowed if—

''(i) such sponsoring organization is not described in paragraph (3) or (4) of subsection (a) or section 509(a)(3), and

''(ii) the taxpayer obtains a contemporaneous written acknowledgment (determined under rules similar to the rules of section 170(f)(8)(C)) from the sponsoring organization that such organization has exclusive legal control over the assets contributed.

''(B) CONTRIBUTIONS TO TYPE I OR TYPE II SUPPORTING ORGANIZATIONS.—

''(i) IN GENERAL.—Notwithstanding subparagraph (A)(i), a contribution to a sponsoring organization (as so defined) described in clause (ii) to be maintained in any donor advised fund (as so defined) of such organization shall be allowed to the extent not prohibited by regulations.

''(ii) ORGANIZATION DESCRIBED.—An organization is described in this clause if the organization meets the requirements of subparagraphs (A) and (C) of section 509(a)(3) and is—

''(I) operated, supervised, or controlled by one or more organizations described in paragraph (1) or (2) of section 509(a), or

''(II) supervised or controlled in connection with one or more such organizations.''.

(d) REGULATIONS.—The regulations prescribed under sections 170(f)(17)(B)(i), 2055(e)(5)(B)(i), 2522(c)(13)(B)(i), 4967(e)(i)(A)(ii), and 4968(c)(2) of the Internal Revenue Code of 1986 shall deny a deduction for contributions to sponsoring organizations (as defined in section 4967(g)(1) of such Code) which are described in section 170(f)(17)(B)(ii) of such Code and shall apply excise taxes to distributions from donor advised funds (as defined in section 4967(g)(2) of such Code) and sponsoring organizations (as so defined) to organizations so described in cases where the donor of the contributions or the donor or donor advisor of the amounts distributed directly or indirectly controls a supported organization (as defined in section 509(f)(3) of such Code) of such organization.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to contributions made after the date which is 180 days after the date of the enactment of this Act.

On page 205, line 16, strike ''5 percent'' and insert ''the applicable percentage''.

On page 206, between lines 11 and 12, insert the following:

''(3) APPLICABLE PERCENTAGE.—For purposes of paragraph (1)(A)(ii), the applicable percentage is—

''(A) 3 percent for the first taxable year beginning after the date of the enactment of this section,

''(B) 4 percent for the second taxable year beginning after such date, and

''(C) 5 percent for any taxable year beginning after the second taxable year beginning after such date.

On page 206, strike lines 18 through 22 and insert the following:

''(2) ADMINISTRATIVE AND OPERATING EXPENSES.—Reasonable and necessary administrative expenses of a type III supporting organization shall be treated as a qualifying distribution to a supported organization.

On page 214, line 6, strike ''any''.

On page 216, strike line 24 and insert the following:

''(5) SPECIAL RULE FOR CERTAIN HOLDINGS OF TYPE III SUPPORTING ORGANIZATIONS.—For purposes of this subsection, the term 'excess business holdings' shall not include any holdings of a type III supporting organization (as defined in section 4959(h)(2)) in any business enterprise if the holdings are held

for the benefit of the community pursuant to the direction of a State attorney general or a State official with jurisdiction over the type III supporting organization.

''(6) PRESENT HOLDINGS.—For purposes of

On page 219, strike lines 5 through 9 and insert the following:

(a) REQUIREMENT TO FILE RETURN.—Subparagraph (B) of section 6033(a)(3), as redesignated by section 311, is amended by inserting ''(other than an organization described in section 509(a)(3))'' after ''paragraph (1)''.

Beginning on page 225, line 9, strike all through page 230, line 21 and insert the following:

SEC. 402. MODIFICATION TO S CORPORATION PASSIVE INVESTMENT INCOME RULES.

(a) INCREASED PERCENTAGE LIMIT.—Paragraph (2) of section 1375(a) is amended by striking ''**25 PERCENT**'' and inserting ''**60 PERCENT**''.

(b) REPEAL OF EXCESSIVE PASSIVE INCOME AS A TERMINATION EVENT.—

(1) IN GENERAL.—Section 1362(d) is amended by striking paragraph (3).

(2) CONFORMING AMENDMENT.—Subsection (b) of section 1375 is amended by striking paragraphs (3) and (4) and inserting the following new paragraph:

''(3) PASSIVE INVESTMENT INCOME DEFINED.—

''(A) Except as otherwise provided in this paragraph, the term 'passive investment income' means gross receipts derived from royalties, rents, dividends, interest, and annuities.

''(B) EXCEPTION FOR INTEREST ON NOTES FROM SALES OF INVENTORY.—The term 'passive investment income' shall not include interest on any obligation acquired in the ordinary course of the corporation's trade or business from its sale of property described in section 1221(a)(1).

''(C) TREATMENT OF CERTAIN LENDING OR FINANCE COMPANIES.—If the S corporation meets the requirements of section 542(c)(6) for the taxable year, the term 'passive investment income' shall not include gross receipts for the taxable year which are derived directly from the active and regular conduct of a lending or finance business (as defined in section 542(d)(1)).

''(D) TREATMENT OF CERTAIN DIVIDENDS.—If an S corporation holds stock in a C corporation meeting the requirements of section 1504(a)(2), the term 'passive investment income' shall not include dividends from such C corporation to the extent such dividends are attributable to the earnings and profits of such C corporation derived from the active conduct of a trade or business.

''(E) EXCEPTION FOR BANKS, ETC.—In the case of a bank (as defined in section 581), a bank holding company (within the meaning of section 2(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(a))), or a financial holding company (within the meaning of section 2(p) of such Act), the term 'passive investment income' shall not include—

''(i) interest income earned by such bank or company, or

''(ii) dividends on assets required to be held by such bank or company, including stock in the Federal Reserve Bank, the Federal Home Loan Bank, or the Federal Agricultural Mortgage Bank or participation certificates issued by a Federal Intermediate Credit Bank.

''(F) COORDINATION WITH SECTION 1374.—The amount of passive investment income shall be determined by not taking into account any recognized built-in gain or loss of the S corporation for any taxable year in the recognition period. Terms used in the preceding sentence shall have the same respective meanings as when used in section 1374.''.

(c) CONFORMING AMENDMENTS.—

(1) Subparagraph (J) of section 26(b)(2) is amended by striking ''25 percent'' and inserting ''60 percent''.

(2) Clause (i) of section 1042(c)(4)(A) is amended by striking ''section 1362(d)(3)(C)'' and inserting ''section 1375(b)(3)''.

(3) Subparagraph (B) of section 1362(f)(1) is amended by striking ''or (3)''.

(4) Clause (i) of section 1375(b)(1)(A) is amended by striking ''25 percent'' and inserting ''60 percent''.

(5) Subsection (d) of section 1375 is amended by striking ''subchapter C'' both places it appears and inserting ''accumulated''.

(6) The heading for section 1375 is amended by striking ''**25 PERCENT**'' and inserting ''**60 PERCENT**''.

(7) The item relating to section 1375 in the table of sections for part III of subchapter S of chapter 1 is amended by striking ''25 percent'' and inserting ''60 percent''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2005.

On page 235, in between lines 13 and 14, insert the following:

SEC. 405. MODIFICATION OF BOND RULE.

In the case of bonds issued after the date of the enactment of this Act and before August 31, 2009—

(1) the requirement of paragraph (1) of section 648 of the Deficit Reduction Act of 1984 (98 Stat. 941) shall be treated as met with respect to the securities or obligations referred to in such section if such securities or obligations are held in a fund the annual distributions from which cannot exceed 7 percent of the average fair market value of the assets held in such fund except to the extent distributions are necessary to pay debt service on the bond issue,

(2) paragraph (3) of such section shall be applied by substituting ''distributions from'' for ''the investment earnings of'' both places it appears, and

(3) Paragraph (4) of such section shall be applied by substituting ''March 1, 1985'' for ''October 9, 1969''.

SEC. 406. TREATMENT OF CERTAIN STOCK OPTION PLANS UNDER NONQUALIFIED DEFERRED COMPENSATION RULES.

(a) IN GENERAL.—The Secretary of the Treasury shall modify the regulations under section 409A of the Internal Revenue Code of 1986 to extend to applicable foreign option plans the exception under such section for incentive stock options under section 422 of such Code and options granted under an employee stock purchase plan meeting the requirements of section 423 of such Code. Such extension shall be subject to such terms and conditions as may be prescribed in such regulations.

(b) APPLICABLE FOREIGN OPTION PLANS.—For purposes of subsection (a)—

(1) IN GENERAL.—The term ''applicable foreign option plan'' means a plan providing for the issuance of employee stock options—

(A) which is established under the laws of a foreign jurisdiction, and

(B) which, under such laws or the terms of the plan (or both), is subject to requirements substantially similar to the requirements under section 422 or 423 of such Code.

(2) SUBSTANTIALLY SIMILAR.—A plan shall not be treated as subject to substantially similar requirements under paragraph (1)(B) unless—

(A) the plan is required to cover substantially all employees,

(B) in the case of an option under an employee stock purchase plan, the plan is required to provide an option price which is not less than the amount specified in section 423(b)(6) of such Code, except that such section shall be applied by substituting ''80 percent'' for ''85 percent'' each place it appears,

(C) the plan is required to provide coverage of individuals who, but for the exception of the application of section 409A of such Code by reason of this section, would be subject to tax under such section with respect to the plan, and

(D) the plan meets such other requirements as the Secretary of the Treasury prescribes in the regulations under subsection (a).

SEC. 407. SENSE OF THE SENATE REGARDING THE DEDICATION OF EXCESS FUNDS.

It is the sense of the Senate that any increases in revenues to the Treasury as a result of this Act and the amendments made by this Act that exceed the amounts specified in the reconciliation instructions shall be dedicated to the Low-Income Home Energy Assistance Program, in an amount not to exceed the amount which is $2,900,000,000 more than the funding levels established for such Program for fiscal year 2005.

Beginning on page 236, line 17, strike all through page 239, line 6 and insert the following:

SEC. 502. MODIFICATION OF EFFECTIVE DATE OF EXCEPTION FROM SUSPENSION RULES FOR CERTAIN LISTED AND REPORTABLE TRANSACTIONS.

(a) EFFECTIVE DATE MODIFICATION.—

(1) IN GENERAL.—Paragraph (2) of section 903(d) of the American Jobs Creation Act of 2004 is amended to read as follows:

''(2) EXCEPTION FOR REPORTABLE OR LISTED TRANSACTIONS.—

''(A) IN GENERAL.—The amendments made by subsection (c) shall apply with respect to interest accruing after October 3, 2004.

''(B) SPECIAL RULE FOR CERTAIN LISTED AND REPORTABLE TRANSACTIONS.—

''(i) IN GENERAL.—Except as provided in clause (ii), the amendments made by subsection (c) shall also apply with respect to interest accruing on or before October 3, 2004.

''(ii) PARTICIPANTS IN SETTLEMENT INITIATIVES.—Clause (i) shall not apply to any transaction if, as of January 23, 2006—

''(I) the taxpayer is participating in a settlement initiative described in Internal Revenue Service Announcement 2005-80 with respect to such transaction, or

''(II) the taxpayer has entered into a settlement agreement pursuant to such an initiative.

''(iii) TERMINATION OF EXCEPTION.—Clause (ii)(I) shall not apply to any taxpayer if, after January 23, 2006, the taxpayer withdraws from, or terminates, participation in the initiative or the Secretary of the Treasury or the Secretary's delegate determines that a settlement agreement will not be reached pursuant to the initiative within a reasonable period of time.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall take effect as if included in the provisions of the American Jobs Creation Act of 2004 to which it relates.

(b) TREATMENT OF AMENDED RETURNS AND OTHER SIMILAR NOTICES OF ADDITIONAL TAX OWED.—

(1) IN GENERAL.—Section 6404(g)(1) (relating to suspension) is amended by adding at the end the following new sentence: ''If, after the return for a taxable year is filed, the taxpayer provides to the Secretary 1 or more signed written documents showing that the taxpayer owes an additional amount of tax for the taxable year, clause (i) shall be applied by substituting the date the last of the documents was provided for the date on which the return is filed.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to documents provided on or after the date of the enactment of this Act.

On page 244, after line 24, insert the following:

SEC. 504. PENALTY FOR PROMOTING ABUSIVE TAX SHELTERS.

(a) PENALTY FOR PROMOTING ABUSIVE TAX SHELTERS.—Section 6700 (relating to promoting abusive tax shelters, etc.) is amended—

(1) by redesignating subsections (b) and (c) as subsections (d) and (e), respectively,

(2) by striking ''a penalty'' and all that follows through the period in the first sentence of subsection (a) and inserting ''a penalty determined under subsection (b)'', and

(3) by inserting after subsection (a) the following new subsections:

''(b) AMOUNT OF PENALTY; CALCULATION OF PENALTY; LIABILITY FOR PENALTY.—

''(1) AMOUNT OF PENALTY.—The amount of the penalty imposed by subsection (a) shall be 100 percent of the gross income derived (or to be derived) from such activity by the person or persons subject to such penalty.

''(2) CALCULATION OF PENALTY.—The penalty amount determined under paragraph (1) shall be calculated with respect to each instance of an activity described in subsection (a), each instance in which income was derived by the person or persons subject to such penalty, and each person who participated in such an activity.

''(3) LIABILITY FOR PENALTY.—If more than 1 person is liable under subsection (a) with respect to such activity, all such persons shall be jointly and severally liable for the penalty under such subsection.

''(c) PENALTY NOT DEDUCTIBLE.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.''.

(b) CONFORMING AMENDMENT.—Section 6700(a) is amended by striking the last sentence.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to the activities described in paragraphs (1) and (2) of section 6700(a) of the Internal Revenue Code of 1986 and after the date of the enactment of this Act.

SEC. 505. PENALTY FOR AIDING AND ABETTING THE UNDERSTATEMENT OF TAX LIABILITY.

(a) IN GENERAL.—Section 6701(a) (relating to imposition of penalty) is amended—

(1) by inserting '', or tax liability reflected in,'' after ''the preparation or presentation of'' in paragraph (1),

(2) by inserting ''aid, assistance, procurement, or advice with respect to such'' before ''portion'' both places it appears in paragraphs (2) and (3), and

(3) by inserting ''instance of aid, assistance, procurement, or advice or each such'' before ''document'' in the matter following paragraph (3).

(b) AMOUNT OF PENALTY.—Subsection (b) of section 6701 (relating to penalties for aiding and abetting understatement of tax liability) is amended to read as follows:

''(b) AMOUNT OF PENALTY; CALCULATION OF PENALTY; LIABILITY FOR PENALTY.—

''(1) AMOUNT OF PENALTY.—The amount of the penalty imposed by subsection (a) shall be 100 percent of the gross income derived (or to be derived) from such aid, assistance, procurement, or advice provided by the person or persons subject to such penalty.

''(2) CALCULATION OF PENALTY.—The penalty amount determined under paragraph (1) shall be calculated with respect to each instance of aid, assistance, procurement, or advice described in subsection (a), each instance in which income was derived by the person or persons subject to such penalty, and each person who made such an understatement of the liability for tax.

''(3) LIABILITY FOR PENALTY.—If more than 1 person is liable under subsection (a) with respect to providing such aid, assistance, procurement, or advice, all such persons shall be jointly and severally liable for the penalty under such subsection.''.

(c) PENALTY NOT DEDUCTIBLE.—Section 6701 is amended by adding at the end the following new subsection:

''(g) PENALTY NOT DEDUCTIBLE.—The payment of any penalty imposed under this section or the payment of any amount to settle or avoid the imposition of such penalty shall not be considered an ordinary and necessary expense in carrying on a trade or business for purposes of this title and shall not be deductible by the person who is subject to such penalty or who makes such payment.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to the activities described in section 6701(a) of the Internal Revenue Code of 1986 after the date of the enactment of this Act.

Beginning on page 261, line 20, strike all through page 264, line 14, and insert the following:

SEC. 531. INCREASE IN CRIMINAL MONETARY PENALTY LIMITATION FOR THE UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.

(a) IN GENERAL.—Section 7206 (relating to fraud and false statements) is amended—

(1) by striking ''Any person who—'' and inserting ''(a) IN GENERAL.—Any person who—'', and

(2) by adding at the end the following new subsection:

''(b) INCREASE IN MONETARY LIMITATION FOR UNDERPAYMENT OR OVERPAYMENT OF TAX DUE TO FRAUD.—If any portion of any underpayment (as defined in section 6664(a)) or overpayment (as defined in section 6401(a)) of tax required to be shown on a return is attributable to fraudulent action described in subsection (a), the applicable dollar amount under subsection (a) shall in no event be less than an amount equal to such portion. A rule similar to the rule under section 6663(b) shall apply for purposes of determining the portion so attributable.''.

(b) INCREASE IN PENALTIES.—

(1) ATTEMPT TO EVADE OR DEFEAT TAX.—Section 7201 is amended—

(A) by striking ''$100,000'' and inserting ''$500,000'',

(B) by striking ''$500,000'' and inserting ''$1,000,000'', and

(C) by striking ''5 years'' and inserting ''10 years''.

(2) WILLFUL FAILURE TO FILE RETURN, SUPPLY INFORMATION, OR PAY TAX.—Section 7203 is amended—

(A) in the first sentence—

(i) by striking ''Any person'' and inserting the following:

''(a) IN GENERAL.—Any person'', and

(ii) by striking ''$25,000'' and inserting ''$50,000'',

(B) in the third sentence, by striking ''section'' and inserting ''subsection'', and

(C) by adding at the end the following new subsection:

''(b) AGGRAVATED FAILURE TO FILE.—

''(1) IN GENERAL.—In the case of any failure described in paragraph (2), the first sentence of subsection (a) shall be applied by substituting—

''(A) 'felony' for 'misdemeanor',

''(B) '$500,000 ($1,000,000' for '$25,000 ($100,000', and

''(C) '10 years' for '1 year'.

''(2) FAILURE DESCRIBED.—A failure described in this paragraph is a failure to make a return described in subsection (a) for a period of 3 or more consecutive taxable years.''.

(3) FRAUD AND FALSE STATEMENTS.—Section 7206(a) (as redesignated by subsection (a)) is amended—

(A) by striking ''$100,000'' and inserting ''$500,000'',

(B) by striking ''$500,000'' and inserting ''$1,000,000'', and

(C) by striking ''3 years'' and inserting ''5 years''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to actions, and failures to act, occurring after the date of the enactment of this Act.

On page 276, line 20, strike ''$1,250'' and insert ''$2,000''.

On page 276, line 22, strike ''$25'' and insert ''$40''.

On page 323, after line 20, insert the following:

SEC. 563. APPLICATION OF FIRPTA TO REGULATED INVESTMENT COMPANIES.

(a) IN GENERAL.—Subclause (II) of section 897(h)(4)(A)(i) (defining qualified investment entity) is amended by inserting ''which is a United States real property holding corporation or which would be a United States real property holding corporation if the exceptions provided in subsections (c)(3) and (h)(2) did not apply to interests in any real estate investment trust or regulated investment company'' after ''regulated investment company''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to distributions with respect to taxable years beginning after December 31, 2004.

SEC. 564. TREATMENT OF DISTRIBUTIONS ATTRIBUTABLE TO FIRPTA GAINS.

(a) QUALIFIED INVESTMENT ENTITY.—

(1) IN GENERAL.—Section 897(h)(1) is amended—

(A) by striking ''a nonresident alien individual or a foreign corporation'' in the first sentence and inserting ''a nonresident alien individual, a foreign corporation, or other qualified investment entity'',

(B) by striking ''such nonresident alien individual or foreign corporation'' in the first sentence and inserting ''such nonresident alien individual, foreign corporation, or other qualified investment entity'', and

(C) by striking the second sentence and inserting the following new sentence: ''Notwithstanding the preceding sentence, any distribution by a qualified investment entity to a nonresident alien, a foreign corporation, or other qualified investment entity with respect to any class of stock which is regularly traded on an established securities market located in the United States shall not be treated as gain recognized from the sale or exchange of a United States real property interest if the shareholder did not own more than 5 percent of such class of stock at any time during the 1 year period ending on the date of such distribution.''.

(2) APPLICATION AFTER 2007.—Clause (ii) of section 897(h)(4)(A) is amended by adding at the end the following new sentence: ''Notwithstanding the preceding sentence, an entity described in clause (i)(II) shall be treated as a qualified investment entity for purposes of applying paragraph (1) in any case in which a real estate investment trust makes a distribution to an entity described in clause (i)(II).''.

(b) TREATMENT OF CERTAIN DISTRIBUTIONS AS DIVIDENDS.—

(1) IN GENERAL.—Section 852(b)(3) (relating to capital gains) is amended by adding at the end the following new subparagraph:

''(E) CERTAIN DISTRIBUTIONS.—In the case of a distribution to which section 897 does not apply by reason of the second sentence of section 897(h)(1), the amount of such distribution which would be included in computing long-term capital gains for the shareholder under subparagraph (B) or (D) (without regard to this subparagraph)—

''(i) shall not be included in computing such shareholder's long-term capital gains, and

''(ii) shall be included in such shareholder's gross income as a dividend from the regulated investment company.''.

(2) CONFORMING AMENDMENT.—Section 871(k)(2) (relating to short-term capital gain dividends) is amended by adding at the end the following new subparagraph:

''(E) CERTAIN DISTRIBUTIONS.—In the case of a distribution to which section 897 does not apply by reason of the second sentence of section 897(h)(1), the amount which would be treated as a short-term capital gain dividend to the shareholder (without regard to this subparagraph)—

''(i) shall not be treated as a short-term capital gain dividend, and

''(ii) shall be included in such shareholder's gross income as a dividend from the regulated investment company.''.

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall apply to taxable years of qualified investment entities beginning after the date of the enactment of this Act.

(2) DIVIDENDS.—The amendments made by subsection (b) shall apply to dividends with respect to taxable years of regulated investment companies beginning after December 31, 2004.

SEC. 565. PREVENTION OF AVOIDANCE OF TAX ON INVESTMENTS OF FOREIGN PERSONS IN UNITED STATES REAL PROPERTY THROUGH WASH SALE TRANSACTIONS.

(a) IN GENERAL.—Section 897(h) of the Internal Revenue Code of 1986 (relating to special rules in certain investment entities) is amended by redesignating paragraph (4) as paragraph (5) and by inserting after paragraph (3) the following new paragraph:

''(4) TREATMENT OF CERTAIN WASH SALE TRANSACTIONS.—

''(A) IN GENERAL.—If an interest in a domestically controlled qualified investment entity is disposed of in an applicable wash sale transaction, the taxpayer shall, for purposes of this section, be treated as having gain from the sale or exchange of a United States real property interest in an amount equal to the portion of the distribution described in subparagraph (B) with respect to such interest which, but for the disposition, would have been treated by the taxpayer as gain from the sale or exchange of a United States real property interest under paragraph (1).

''(B) APPLICABLE WASH SALES TRANSACTION.—For purposes of this paragraph—

''(i) IN GENERAL.—The term 'applicable wash sales transaction' means any transaction (or series of transactions) under which a nonresident alien individual or foreign corporation—

''(I) disposes of an interest in a domestically controlled qualified investment entity during the 30-day period preceding a distribution which is to be made with respect to the interest and any portion of which, but for the disposition, would have been treated by the taxpayer as gain from the sale or exchange of a United States real property interest under paragraph (1), and

''(II) acquires an identical interest in such entity during the 60-day period beginning with the 1st day of the 30-day period described in subclause (I).

For purposes of subclause (II), a nonresident alien individual or foreign corporation shall be treated as having acquired any interest acquired by a person related (within the meaning of section 465(b)(3)(C)) to the individual or corporation.

''(ii) EXCEPTION WHERE DISTRIBUTION ACTUALLY RECEIVED.—A transaction shall not be treated as an applicable wash sales transaction if the nonresident alien individual or foreign corporation receives the distribution described in clause (i)(I) with respect to either the interest which was disposed of, or acquired, in the transaction.

''(iii) EXCEPTION FOR CERTAIN PUBLICLY TRADED STOCK.—A transaction shall not be treated as an applicable wash sales transaction if it involves the disposition of any class of stock in a qualified investment entity which is regularly traded on an established securities market within the United States but only if the nonresident alien individual or foreign corporation did not own more than 5 percent of such class of stock at any time during the 1-year period ending on the date of the distribution described in clause (i)(I).''.

(b) NO WITHHOLDING REQUIRED.—Section 1445(b) of the Internal Revenue Code of 1986 (relating to exemptions) is amended by adding at the end the following new paragraph:

''(8) APPLICABLE WASH SALES TRANSACTIONS.—No person shall be required to deduct and withhold any amount under subsection (a) with respect to a disposition which is treated as a disposition of a United States real property interest solely by reason of section 897(h)(4).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to dispositions after December 31, 2005, in taxable years ending after such date.

SEC. 566. MODIFICATIONS TO RULES RELATING TO TAXATION OF DISTRIBUTIONS OF STOCK AND SECURITIES OF A CONTROLLED CORPORATION.

(a) MODIFICATION OF ACTIVE BUSINESS DEFINITION UNDER SECTION 355.—

(1) IN GENERAL.—Section 355(b) (defining active conduct of a trade or business) is amended by adding at the end the following new paragraph:

''(3) SPECIAL RULES RELATING TO ACTIVE BUSINESS REQUIREMENT.—

''(A) IN GENERAL.—For purposes of determining whether a corporation meets the requirement of paragraph (2)(A), all members of such corporation's separate affiliated group shall be treated as 1 corporation. For purposes of the preceding sentence, the term 'separate affiliated group' means, with respect to any corporation, the affiliated group which would be determined under section 1504(a) if such corporation were the common parent and section 1504(b) did not apply.

''(B) CONTROL.—For purposes of paragraph (2)(D), all distributee corporations which are members of the same affiliated group (as defined in section 1504(a) without regard to section 1504(b)) shall be treated as 1 distributee corporation.''.

(2) CONFORMING AMENDMENTS.—

(A) Subparagraph (A) of section 355(b)(2) is amended to read as follows:

''(A) it is engaged in the active conduct of a trade or business,''.

(B) Section 355(b)(2) of such Code is amended by striking the last sentence.

(3) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendments made by this subsection shall apply—

(i) to distributions after the date of the enactment of this Act, and before January 1, 2010, and

(ii) for purposes of determining the continued qualification under section 355(b)(2)(A) of the Internal Revenue Code of 1986 (as amended by paragraph (2)(A)) of distributions made before such date, as a result of an acquisition, disposition, or other restructuring after such date and before January 1, 2010.

(B) TRANSITION RULE.—The amendments made by this subsection shall not apply to any distribution pursuant to a transaction which is—

(i) made pursuant to an agreement which was binding on such date of enactment and at all times thereafter,

(ii) described in a ruling request submitted to the Internal Revenue Service on or before such date, or

(iii) described on or before such date in a public announcement or in a filing with the Securities and Exchange Commission.

(C) ELECTIONS.—

(i) OUT OF TRANSITION RELIEF.—Subparagraph (B) shall not apply if the distributing corporation elects not to have such subparagraph apply to distributions of such corporation. Any such election, once made, shall be irrevocable.

(ii) APPLICATION TO PRIOR DISTRIBUTIONS.—Subparagraph (A)(ii) shall not apply to a distributing or controlled corporation if the corporation elects not to have such subparagraph apply to such corporation. Any such election, once made, shall be irrevocable.

(b) SECTION 355 NOT TO APPLY TO DISTRIBUTIONS IF THE DISTRIBUTING OR CONTROLLED CORPORATION IS A DISQUALIFIED INVESTMENT CORPORATION.—

(1) IN GENERAL.—Section 355 (relating to distributions of stock and securities of a controlled corporation) is amended by adding at the end the following new subsection:

''(g) SECTION NOT TO APPLY TO DISTRIBUTIONS INVOLVING DISQUALIFIED INVESTMENT CORPORATIONS.—

''(1) IN GENERAL.—This section (and so much of section 356 as relates to this section) shall not apply to any distribution which is part of a transaction if—

''(A) either the distributing corporation or controlled corporation is, immediately after the transaction, a disqualified investment corporation, and

''(B) any person holds, immediately after the transaction, a 50-percent or greater interest in any disqualified investment corporation, but only if such person did not hold such an interest in such corporation immediately before the transaction.

''(2) DISQUALIFIED INVESTMENT CORPORATION.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'disqualified investment corporation' means any distributing or controlled corporation if the fair market value of the investment assets of the corporation is 75 percent or more of the fair market value of all assets of the corporation.

''(B) INVESTMENT ASSETS.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph, the term 'investment assets' means—

''(I) cash,

''(II) any stock or securities in a corporation,

''(III) any interest in a partnership,

''(IV) any debt instrument or other evidence of indebtedness,

''(V) any option, forward or futures contract, notional principal contract, or derivative,

''(VI) foreign currency, or

''(VII) any similar asset.

''(ii) EXCEPTION FOR ASSETS USED IN ACTIVE CONDUCT OF CERTAIN FINANCIAL TRADES OR BUSINESSES.—Such term shall not include any asset which is held for use in the active and regular conduct of—

''(I) a lending or finance business (within the meaning of section 954(h)(4)),

''(II) a banking business through a bank (as defined in section 581), a domestic building and loan association (within the meaning of section 7701(a)(19)), or any similar institution specified by the Secretary, or

''(III) an insurance business if the conduct of the business is licensed, authorized, or regulated by an applicable insurance regulatory body.

This clause shall only apply with respect to any business if substantially all of the income of the business is derived from persons who are not related (within the meaning of

section 267(b) or 707(b)(1)) to the person conducting the business.

''(iii) EXCEPTION FOR SECURITIES MARKED TO MARKET.—Such term shall not include any security (as defined in section 475(c)(2)) which is held by a dealer in securities and to which section 475(a) applies.

''(iv) STOCK OR SECURITIES IN A 25-PERCENT CONTROLLED ENTITY.—

''(I) IN GENERAL.—Such term shall not include any stock and securities in, or any asset described in subclause (IV) or (V) of clause (i) issued by, a corporation which is a 25-percent controlled entity with respect to the distributing or controlled corporation.

''(II) LOOK-THRU RULE.—The distributing or controlled corporation shall, for purposes of applying this subsection, be treated as owning its ratable share of the assets of any 25-percent controlled entity.

''(III) 25-PERCENT CONTROLLED ENTITY.—For purposes of this clause, the term '25-percent controlled entity' means, with respect to any distributing or controlled corporation, any corporation with respect to which the distributing or controlled corporation owns directly or indirectly stock meeting the requirements of section 1504(a)(2), except that such section shall be applied by substituting '25 percent' for '80 percent' and without regard to stock described in section 1504(a)(4).

''(v) INTERESTS IN CERTAIN PARTNERSHIPS.—

''(I) IN GENERAL.—Such term shall not include any interest in a partnership, or any debt instrument or other evidence of indebtedness, issued by the partnership, if 1 or more of the trades or businesses of the partnership are (or, without regard to the 5-year requirement under subsection (b)(2)(B), would be) taken into account by the distributing or controlled corporation, as the case may be, in determining whether the requirements of subsection (b) are met with respect to the distribution.

''(II) LOOK-THRU RULE.—The distributing or controlled corporation shall, for purposes of applying this subsection, be treated as owning its ratable share of the assets of any partnership described in subclause (I).

''(3) 50-PERCENT OR GREATER INTEREST.—For purposes of this subsection—

''(A) IN GENERAL.—The term '50-percent or greater interest' has the meaning given such term by subsection (d)(4).

''(B) ATTRIBUTION RULES.—The rules of section 318 shall apply for purposes of determining ownership of stock for purposes of this paragraph.

''(4) TRANSACTION.—For purposes of this subsection, the term 'transaction' includes a series of transactions.

''(5) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out, or prevent the avoidance of, the purposes of this subsection, including regulations—

''(A) to carry out, or prevent the avoidance of, the purposes of this subsection in cases involving—

''(i) the use of related persons, intermediaries, pass-thru entities, options, or other arrangements, and

''(ii) the treatment of assets unrelated to the trade or business of a corporation as investment assets if, prior to the distribution, investment assets were used to acquire such unrelated assets,

''(B) which in appropriate cases exclude from the application of this subsection a distribution which does not have the character of a redemption which would be treated as a sale or exchange under section 302, and

''(C) which modify the application of the attribution rules applied for purposes of this subsection.''.

(2) EFFECTIVE DATES.—

(A) IN GENERAL.—The amendments made by this subsection shall apply to distributions after the date of the enactment of this Act.

(B) TRANSITION RULE.—The amendments made by this subsection shall not apply to any distribution pursuant to a transaction which is—

(i) made pursuant to an agreement which was binding on such date of enactment and at all times thereafter,

(ii) described in a ruling request submitted to the Internal Revenue Service on or before such date, or

(iii) described on or before such date in a public announcement or in a filing with the Securities and Exchange Commission.

SEC. 567. AMORTIZATION OF EXPENSES INCURRED IN CREATING OR ACQUIRING MUSIC OR MUSIC COPYRIGHTS.

(a) IN GENERAL.—Section 263A (relating to capitalization and inclusion in inventory costs of certain expenses) is amended by redesignating subsection (i) as subsection (j) and by adding after subsection (h) the following new subsection:

''(i) SPECIAL RULES FOR CERTAIN MUSICAL WORKS AND COPYRIGHTS.—

''(1) IN GENERAL.—If—

''(A) any expense is paid or incurred by the taxpayer in creating or acquiring any musical composition (including any accompanying words) or any copyright with respect to a musical composition, and

''(B) such expense is required to be capitalized under this section,

then, notwithstanding section 167(g), the amount capitalized shall be amortized ratably over the 5-year period beginning with the month in which the composition or copyright was acquired (or, in the case of expenses paid or incurred in connection with the creation of a musical composition, the 5-taxable-year period beginning with the taxable year in which the expenses were paid or incurred).

''(2) EXCEPTIONS.—Paragraph (1) shall not apply to any expense—

''(A) which is a qualified creative expense under subsection (h),

''(B) to which a simplified procedure established under subsection (j)(2) applies,

''(C) which is an amortizable section 197 intangible (as defined in section 197(c)), or

''(D) which, without regard to this section, would not be allowable as a deduction.''

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to expenses paid or incurred after December 31, 2005, in taxable years ending after such date.

SEC. 568. CREDIT TO HOLDERS OF RURAL RENAISSANCE BONDS.

(a) IN GENERAL.—Subpart H of part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by adding at the end the following new section:

''SEC. 54A. CREDIT TO HOLDERS OF RURAL RENAISSANCE BONDS.

''(a) ALLOWANCE OF CREDIT.—In the case of a taxpayer who holds a rural renaissance bond on a credit allowance date of such bond, which occurs during the taxable year, there shall be allowed as a credit against the tax imposed by this chapter for such taxable year an amount equal to the sum of the credits determined under subsection (b) with respect to credit allowance dates during such year on which the taxpayer holds such bond.

''(b) AMOUNT OF CREDIT.—

''(1) IN GENERAL.—The amount of the credit determined under this subsection with respect to any credit allowance date for a rural renaissance bond is 25 percent of the annual credit determined with respect to such bond.

''(2) ANNUAL CREDIT.—The annual credit determined with respect to any rural renaissance bond is the product of—

''(A) the credit rate determined by the Secretary under paragraph (3) for the day on which such bond was sold, multiplied by

''(B) the outstanding face amount of the bond.

''(3) DETERMINATION.—For purposes of paragraph (2), with respect to any rural renaissance bond, the Secretary shall determine daily or caused to be determined daily a credit rate which shall apply to the first day on which there is a binding, written contract for the sale or exchange of the bond. The credit rate for any day is the credit rate which the Secretary or the Secretary's designee estimates will permit the issuance of rural renaissance bonds with a specified maturity or redemption date without discount and without interest cost to the qualified issuer.

''(4) CREDIT ALLOWANCE DATE.—For purposes of this section, the term 'credit allowance date' means—

''(A) March 15,

''(B) June 15,

''(C) September 15, and

''(D) December 15.

Such term also includes the last day on which the bond is outstanding.

''(5) SPECIAL RULE FOR ISSUANCE AND REDEMPTION.—In the case of a bond which is issued during the 3-month period ending on a credit allowance date, the amount of the credit determined under this subsection with respect to such credit allowance date shall be a ratable portion of the credit otherwise determined based on the portion of the 3-month period during which the bond is outstanding. A similar rule shall apply when the bond is redeemed or matures.

''(c) LIMITATION BASED ON AMOUNT OF TAX.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess of—

''(1) the sum of the regular tax liability (as defined in section 26(b)) plus the tax imposed by section 55, over

''(2) the sum of the credits allowable under this part (other than subpart C thereof, relating to refundable credits).

''(d) RURAL RENAISSANCE BOND.—For purposes of this section—

''(1) IN GENERAL.—The term 'rural renaissance bond' means any bond issued as part of an issue if—

''(A) the bond is issued by a qualified issuer,

''(B) 95 percent or more of the proceeds from the sale of such issue are to be used for capital expenditures incurred for 1 or more qualified projects,

''(C) the qualified issuer designates such bond for purposes of this section and the bond is in registered form, and

''(D) the issue meets the requirements of subsections (e) and (h).

''(2) QUALIFIED PROJECT; SPECIAL USE RULES.—

''(A) IN GENERAL.—The term 'qualified project' means 1 or more projects described in subparagraph (B) located in a rural area.

''(B) PROJECTS DESCRIBED.—A project described in this subparagraph is—

''(i) a water or waste treatment project,

''(ii) an affordable housing project,

''(iii) a community facility project, including hospitals, fire and police stations, and nursing and assisted-living facilities,

''(iv) a value-added agriculture or renewable energy facility project for agricultural producers or farmer-owned entities, including any project to promote the production, processing, or retail sale of ethanol (including fuel at least 85 percent of the volume of which consists of ethanol), biodiesel, animal waste, biomass, raw commodities, or wind as a fuel,

''(v) a distance learning or telemedicine project,

''(vi) a rural utility infrastructure project, including any electric or telephone system,

''(vii) a project to expand broadband technology,

''(viii) a rural teleworks project, and

''(ix) any project described in any preceding clause carried out by the Delta Regional Authority.

''(C) SPECIAL RULES.—For purposes of this paragraph—

''(i) any project described in subparagraph (B)(iv) for a farmer-owned entity may be considered a qualified project if such entity is located in a rural area, or in the case of a farmer-owned entity the headquarters of which are located in a nonrural area, if the project is located in a rural area, and

''(ii) any project for a farmer-owned entity which is a facility described in subparagraph (B)(iv) for agricultural producers may be considered a qualified project regardless of whether the facility is located in a rural or nonrural area.

''(3) SPECIAL USE RULES.—

''(A) REFINANCING RULES.—For purposes of paragraph (1)(B), a qualified project may be refinanced with proceeds of a rural renaissance bond only if the indebtedness being refinanced (including any obligation directly or indirectly refinanced by such indebtedness) was originally incurred after the date of the enactment of this section.

''(B) REIMBURSEMENT.—For purposes of paragraph (1)(B), a rural renaissance bond may be issued to reimburse a borrower for amounts paid after the date of the enactment of this section with respect to a qualified project, but only if—

''(i) prior to the payment of the original expenditure, the borrower declared its intent to reimburse such expenditure with the proceeds of a rural renaissance bond,

''(ii) not later than 60 days after payment of the original expenditure, the qualified issuer adopts an official intent to reimburse the original expenditure with such proceeds, and

''(iii) the reimbursement is made not later than 18 months after the date the original expenditure is paid.

''(C) TREATMENT OF CHANGES IN USE.—For purposes of paragraph (1)(B), the proceeds of an issue shall not be treated as used for a qualified project to the extent that a borrower takes any action within its control which causes such proceeds not to be used for a qualified project. The Secretary shall prescribe regulations specifying remedial actions that may be taken (including conditions to taking such remedial actions) to prevent an action described in the preceding sentence from causing a bond to fail to be a rural renaissance bond.

''(e) MATURITY LIMITATIONS.—

''(1) DURATION OF TERM.—A bond shall not be treated as a rural renaissance bond if the maturity of such bond exceeds the maximum term determined by the Secretary under paragraph (2) with respect to such bond.

''(2) MAXIMUM TERM.—During each calendar month, the Secretary shall determine the maximum term permitted under this paragraph for bonds issued during the following calendar month. Such maximum term shall be the term which the Secretary estimates will result in the present value of the obligation to repay the principal on the bond being equal to 50 percent of the face amount of such bond. Such present value shall be determined without regard to the requirements of subsection (f)(3) and using as a discount rate the average annual interest rate of tax-exempt obligations having a term of 10 years or more which are issued during the month. If the term as so determined is not a multiple of a whole year, such term shall be rounded to the next highest whole year.

''(3) RATABLE PRINCIPAL AMORTIZATION REQUIRED.—A bond shall not be treated as a rural renaissance bond unless it is part of an issue which provides for an equal amount of principal to be paid by the qualified issuer during each calendar year that the issue is outstanding.

''(f) LIMITATION ON AMOUNT OF BONDS DESIGNATED.—

''(1) NATIONAL LIMITATION.—There is a rural renaissance bond limitation of $200,000,000.

''(2) ALLOCATION BY SECRETARY.—The Secretary shall allocate the amount described in paragraph (1) among qualified projects in such manner as the Secretary determines appropriate.

''(g) CREDIT INCLUDED IN GROSS INCOME.—Gross income includes the amount of the credit allowed to the taxpayer under this section (determined without regard to subsection (c)) and the amount so included shall be treated as interest income.

''(h) SPECIAL RULES RELATING TO EXPENDITURES.—

''(1) IN GENERAL.—An issue shall be treated as meeting the requirements of this subsection if, as of the date of issuance, the qualified issuer reasonably expects—

''(A) at least 95 percent of the proceeds from the sale of the issue are to be spent for 1 or more qualified projects within the 5-year period beginning on the date of issuance of the rural renaissance bond,

''(B) a binding commitment with a third party to spend at least 10 percent of the proceeds from the sale of the issue will be incurred within the 6-month period beginning on the date of issuance of the rural renaissance bond or, in the case of a rural renaissance bond, the proceeds of which are to be loaned to 2 or more borrowers, such binding commitment will be incurred within the 6-month period beginning on the date of the loan of such proceeds to a borrower, and

''(C) such projects will be completed with due diligence and the proceeds from the sale of the issue will be spent with due diligence.

''(2) EXTENSION OF PERIOD.—Upon submission of a request prior to the expiration of the period described in paragraph (1)(A), the Secretary may extend such period if the qualified issuer establishes that the failure to satisfy the 5-year requirement is due to reasonable cause and the related projects will continue to proceed with due diligence.

''(3) FAILURE TO SPEND REQUIRED AMOUNT OF BOND PROCEEDS WITHIN 5 YEARS.—To the extent that less than 95 percent of the proceeds of such issue are expended by the close of the 5-year period beginning on the date of issuance (or if an extension has been obtained under paragraph (2), by the close of the extended period), the qualified issuer shall redeem all of the nonqualified bonds within 90 days after the end of such period. For purposes of this paragraph, the amount of the nonqualified bonds required to be redeemed shall be determined in the same manner as under section 142.

''(i) SPECIAL RULES RELATING TO ARBITRAGE.—A bond which is part of an issue shall not be treated as a rural renaissance bond unless, with respect to the issue of which the bond is a part, the qualified issuer satisfies the arbitrage requirements of section 148 with respect to proceeds of the issue.

''(j) QUALIFIED ISSUER.—For purposes of this section—

''(1) IN GENERAL.—The term 'qualified issuer' means any not-for-profit cooperative lender which has as of the date of the enactment of this section received a guarantee under section 306 of the Rural Electrification Act and which meets the requirement of paragraph (2).

''(2) USER FEE REQUIREMENT.—The requirement of this paragraph is met if the issuer of any rural renaissance bond makes grants for qualified projects as defined under subsection (d)(2) on a semi-annual basis every year that such bond is outstanding in an annual amount equal to one-half of the rate on United States Treasury Bills of the same maturity multiplied by the outstanding principle balance of rural renaissance bonds issued by such issuer.

''(k) SPECIAL RULES RELATING TO POOL BONDS.—No portion of a pooled financing bond may be allocable to loan unless the borrower has entered into a written loan commitment for such portion prior to the issue date of such issue.

''(l) OTHER DEFINITIONS AND SPECIAL RULES.—For purposes of this section—

''(1) BOND.—The term 'bond' includes any obligation.

''(2) POOLED FINANCING BOND.—The term 'pooled financing bond' shall have the meaning given such term by section 149(f)(4)(A).

''(3) RURAL AREA.—The term 'rural area' means any area other than—

''(A) a city or town which has a population of greater than 50,000 inhabitants, or

''(B) the urbanized area contiguous and adjacent to such a city or town.

''(4) PARTNERSHIP; S CORPORATION; AND OTHER PASS-THRU ENTITIES.—

''(A) IN GENERAL.—Under regulations prescribed by the Secretary, in the case of a partnership, trust, S corporation, or other pass-thru entity, rules similar to the rules of section 41(g) shall apply with respect to the credit allowable under subsection (a).

''(B) NO BASIS ADJUSTMENT.—In the case of a bond held by a partnership or an S corporation, rules similar to the rules under section 1397E(i) shall apply.

''(5) BONDS HELD BY REGULATED INVESTMENT COMPANIES.—If any rural renaissance bond is held by a regulated investment company, the credit determined under subsection (a) shall be allowed to shareholders of such company under procedures prescribed by the Secretary.

''(6) REPORTING.—Issuers of rural renaissance bonds shall submit reports similar to the reports required under section 149(e).''.

(b) REPORTING.—Subsection (d) of section 6049 (relating to returns regarding payments of interest) is amended by adding at the end the following new paragraph:

''(9) REPORTING OF CREDIT ON RURAL RENAISSANCE BONDS.—

''(A) IN GENERAL.—For purposes of subsection (a), the term 'interest' includes amounts includible in gross income under section 54(f) and such amounts shall be treated as paid on the credit allowance date (as defined in section 54(b)(4)).

''(B) REPORTING TO CORPORATIONS, ETC.—Except as otherwise provided in regulations, in the case of any interest described in subparagraph (A), subsection (b)(4) shall be applied without regard to subparagraphs (A), (H), (I), (J), (K), and (L)(i) of such subsection.

''(C) REGULATORY AUTHORITY.—The Secretary may prescribe such regulations as are necessary or appropriate to carry out the purposes of this paragraph, including regulations which require more frequent or more detailed reporting.''.

(c) CONFORMING AMENDMENT.—The table of sections for subpart H of part IV of subchapter A of chapter 1 is amended by adding at the end the following new item:

''Sec. 54A. Credit to holders of rural renaissance bonds.''.

(d) ISSUANCE OF REGULATIONS.—The Secretary of Treasury shall issue regulations required under section 54A of the Internal Revenue Code of 1986 (as added by this section) not later than 120 days after the date of the enactment of this Act.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to bonds issued after the date of the enactment of this Act and before January 1, 2010.

SEC. 569. MODIFICATION OF TREATMENT OF LOANS TO QUALIFIED CONTINUING CARE FACILITIES.

(a) IN GENERAL.—Subsection (g) of section 7872 is amended to read as follows:

''(g) EXCEPTION FOR LOANS TO QUALIFIED CONTINUING CARE FACILITIES.—

''(1) IN GENERAL.—This section shall not apply for any calendar year to any below-market loan owed by a facility which on the last day of such year is a continuing care facility, if such loan was made pursuant to a continuing care contract and if the lender (or the lender's spouse) attains age 62 before the close of such year.

''(2) CONTINUING CARE CONTRACT.—For purposes of this section, the term 'continuing care contract' means a written contract between an individual and a qualified continuing care facility under which—

''(A) the individual or individual's spouse may use a qualified continuing care facility for their life or lives,

''(B) the individual or individual's spouse will be provided with housing in an independent living unit (which has additional available facilities outside such unit for the provision of meals and other personal care), an assisted living facility or a nursing facility, as is available in the continuing care facility, as appropriate for the health of such individual or individual's spouse, and

''(C) the individual or individual's spouse will be provided assisted living or nursing care as the health of such individual or individual's spouse requires, and as is available in the continuing care facility.

''(3) QUALIFIED CONTINUING CARE FACILITY.—

''(A) IN GENERAL.—For purposes of this section, the term 'qualified continuing care facility' means 1 or more facilities—

''(i) which are designed to provide services under continuing care contracts,

''(ii) that include an independent living unit, plus an assisted living or nursing facility, or both, and

''(iii) substantially all of the independent living unit residents of which are covered by continuing care contracts.

''(B) NURSING HOMES EXCLUDED.—The term 'qualified continuing care facility' shall not include any facility which is of a type which is traditionally considered a nursing home.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to loans made after December 31, 2005.

SEC. 570. MODIFICATIONS OF FOREIGN TAX CREDIT RULES APPLICABLE TO LARGE INTEGRATED OIL COMPANIES WHICH ARE DUAL CAPACITY TAXPAYERS.

(a) IN GENERAL.—Section 901 (relating to credit for taxes of foreign countries and of possessions of the United States), as amended by this Act, is amended by redesignating subsections (m) and (n) as subsections (n) and (o), respectively, and by inserting after subsection (l) the following new subsection:

''(m) SPECIAL RULES RELATING TO LARGE INTEGRATED OIL COMPANIES WHICH ARE DUAL CAPACITY TAXPAYERS.—

''(1) GENERAL RULE.—Notwithstanding any other provision of this chapter, any amount paid or accrued by a dual capacity taxpayer which is a large integrated oil company to a foreign country or possession of the United States for any period shall not be considered a tax—

''(A) if, for such period, the foreign country or possession does not impose a generally applicable income tax, or

''(B) to the extent such amount exceeds the amount (determined in accordance with regulations) which—

''(i) is paid by such dual capacity taxpayer pursuant to the generally applicable income tax imposed by the country or possession, or

''(ii) would be paid if the generally applicable income tax imposed by the country or possession were applicable to such dual capacity taxpayer.

Nothing in this paragraph shall be construed to imply the proper treatment of any such amount not in excess of the amount determined under subparagraph (B).

''(2) DUAL CAPACITY TAXPAYER.—For purposes of this subsection, the term 'dual capacity taxpayer' means, with respect to any foreign country or possession of the United States, a person who—

''(A) is subject to a levy of such country or possession, and

''(B) receives (or will receive) directly or indirectly a specific economic benefit (as determined in accordance with regulations) from such country or possession.

''(3) GENERALLY APPLICABLE INCOME TAX.—For purposes of this subsection—

''(A) IN GENERAL.—The term 'generally applicable income tax' means an income tax (or a series of income taxes) which is generally imposed under the laws of a foreign country or possession on income derived from the conduct of a trade or business within such country or possession.

''(B) EXCEPTIONS.—Such term shall not include a tax unless it has substantial application, by its terms and in practice, to—

''(i) persons who are not dual capacity taxpayers, and

''(ii) persons who are citizens or residents of the foreign country or possession.

''(4) LARGE INTEGRATED OIL COMPANY.—For purposes of this subsection, the term 'large integrated oil company' means, with respect to any taxable year, an integrated oil company (as defined in section 291(b)(4)) which—

''(A) had gross receipts in excess of $1,000,000,000 for such taxable year, and

''(B) has an average daily worldwide production of crude oil of at least 500,000 barrels for such taxable year.''

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to taxes paid or accrued in taxable years beginning after the date of the enactment of this Act.

(2) CONTRARY TREATY OBLIGATIONS UPHELD.—The amendments made by this section shall not apply to the extent contrary to any treaty obligation of the United States.

SEC. 571. EXCLUSION OF GAIN FROM SALE OF A PRINCIPAL RESIDENCE BY CERTAIN EMPLOYEES OF THE INTELLIGENCE COMMUNITY.

(a) IN GENERAL.—Subparagraph (A) of section 121(d)(9) (relating to exclusion of gain from sale of principal residence) is amended by striking ''duty'' and all that follows and inserting ''duty—

''(i) as a member of the uniformed services,

''(ii) as a member of the Foreign Service of the United States, or

''(iii) as an employee of the intelligence community.''.

(b) EMPLOYEE OF INTELLIGENCE COMMUNITY DEFINED.—Subparagraph (C) of section 121(d)(9) is amended by redesignating clause (iv) as clause (v) and by inserting after clause (iii) the following new clause:

''(iv) EMPLOYEE OF INTELLIGENCE COMMUNITY.—The term 'employee of the intelligence community' means an employee (as defined by section 2105 of title 5, United States Code) of—

''(I) the Office of the Director of National Intelligence,

''(II) the Central Intelligence Agency,

''(III) the National Security Agency,

''(IV) the Defense Intelligence Agency,

''(V) the National Geospatial-Intelligence Agency,

''(VI) the National Reconnaissance Office,

''(VII) any other office within the Department of Defense for the collection of specialized national intelligence through reconnaissance programs,

''(VIII) any of the intelligence elements of the Army, the Navy, the Air Force, the Marine Corps, the Federal Bureau of Investigation, the Department of Treasury, the Department of Energy, and the Coast Guard,

''(IX) the Bureau of Intelligence and Research of the Department of State, or

''(X) any of the elements of the Department of Homeland Security concerned with the analyses of foreign intelligence information.''.

(c) SPECIAL RULE.—Subparagraph (C) of section 121(d)(9), as amended by subsection (b), is amended by adding at the end the following new clause:

''(vi) SPECIAL RULE RELATING TO INTELLIGENCE COMMUNITY.—An employee of the intelligence community shall not be treated as serving on qualified extended duty unless—

''(I) for purposes of such duty such employee has moved from 1 duty station to another, and

''(II) at least 1 of such duty stations is located outside of the Washington, District of Columbia, and Baltimore metropolitan statistical areas (as defined by the Secretary of Commerce).''.

(d) CONFORMING AMENDMENT.—The heading for section 121(d)(9) is amended to read as follows: ''UNIFORMED SERVICES, FOREIGN SERVICE, AND INTELLIGENCE COMMUNITY''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to sales or exchanges after the date of the enactment of this Act.

SEC. 572. DISABILITY PREFERENCE PROGRAM FOR TAX COLLECTION CONTRACTS.

(a) IN GENERAL.—The Secretary of the Treasury shall not enter into any qualified tax collection contract after April 1, 2006, until the Secretary implements a disability preference program that meets the requirements of subsection (b).

(b) DISABILITY PREFERENCE PROGRAM REQUIREMENTS.—

(1) IN GENERAL.—A disability preference program meets the requirements of this subsection if such program requires that not less than 10 percent of the accounts of each dollar value category are awarded to persons described in paragraph (2).

(2) PERSON DESCRIBED.—For purposes of paragraph (1), a person is described in this paragraph if—

(A) as of the date any qualified tax collection contract is awarded—

(i) such person employs not less than 50 severely disabled individuals within the United States; or

(ii) not less than 30 percent of the employees of such person within the United States are severely disabled individuals;

(B) such person agrees as a condition of the qualified tax collection contract that not more than 90 days after the date such contract is awarded, not less than 35 percent of the employees of such person employed in connection with providing services under such contract shall—

(i) be hired after the date such contract is awarded; and

(ii) be severely disabled individuals; and

(C) such person is otherwise qualified to perform the services required.

(c) DEFINITIONS.—For purposes of this section—

(1) QUALIFIED TAX COLLECTION CONTRACT.—The term ''qualified tax collection contract'' shall have the meaning given such term under section 6306(b) of the Internal Revenue Code of 1986.

(2) DOLLAR VALUE CATEGORY.—The term ''dollar value category'' means the dollar ranges of accounts for collection as determined and assigned by the Secretary under section 6306(b)(1)(B) of the Internal Revenue

Code of 1986 with respect to a qualified tax collection contract.

(3) SEVERELY DISABLED INDIVIDUAL.—The term ''severely disabled individual'' means—

(A) a veteran of the United States armed forces with a disability of 50 percent or greater—

(i) determined by the Secretary of Veterans Affairs to be service-connected; or

(ii) deemed by law to be service-connected; or

(B) any individual who is a disabled beneficiary (as defined in section 1148(k)(2) of the Social Security Act (42 U.S.C. 1320b–19(k)(2))) or who would be considered to be such a disabled beneficiary but for having income or resources in excess of the income or resources eligibility limits established under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.), respectively.

TITLE VI—COMPLIANCE WITH CONGRESSIONAL BUDGET ACT

SEC. 601. SUNSET OF CERTAIN PROVISIONS AND AMENDMENTS.

The provisions of, and amendments made by, title I, title II, subtitle A of title III, and title IV shall not apply to taxable years beginning after September 30, 2010, and the Internal Revenue Code of 1986 shall be applied and administered to such years as if such provisions and amendments had never been enacted.

SA 2671. Mr. FRIST (for Mr. ENZI) proposed an amendment to the bill S. 1418, to enhance the adoption of a nationwide interoperable health information technology system and to improve the quality and reduce the costs of health care in the United States; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Wired for Health Care Quality Act''.

SEC. 2. IMPROVING HEALTH CARE QUALITY, SAFETY, AND EFFICIENCY.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by adding at the end the following:

''TITLE XXIX—HEALTH INFORMATION TECHNOLOGY AND QUALITY

''SEC. 2901. DEFINITIONS.

''In this title:

''(1) HEALTH CARE PROVIDER.—The term 'health care provider' means a hospital, skilled nursing facility, home health entity, health care clinic, federally qualified health center, group practice (as defined in section 1877(h)(4) of the Social Security Act), a pharmacist, a pharmacy, a laboratory, a physician (as defined in section 1861(r) of the Social Security Act), a practitioner (as defined in section 1842(b)(18)(CC) of the Social Security Act), a health facility operated by or pursuant to a contract with the Indian Health Service, a rural health clinic, and any other category of facility or clinician determined appropriate by the Secretary.

''(2) HEALTH INFORMATION.—The term 'health information' has the meaning given such term in section 1171(4) of the Social Security Act.

''(3) HEALTH INSURANCE PLAN.—The term 'health insurance plan' means—

''(A) a health insurance issuer (as defined in section 2791(b)(2));

''(B) a group health plan (as defined in section 2791(a)(1)); and

''(C) a health maintenance organization (as defined in section 2791(b)(3)).

''(4) INDIVIDUALLY IDENTIFIABLE HEALTH INFORMATION.—The term 'individually identifiable health information' has the meaning given such term in section 1171 of the Social Security Act.

''(5) LABORATORY.—The term 'laboratory' has the meaning given that term in section 353.

''(6) PHARMACIST.—The term 'pharmacist' has the meaning given that term in section 804 of the Federal Food, Drug, and Cosmetic Act.

''(7) QUALIFIED HEALTH INFORMATION TECHNOLOGY.—The term 'qualified health information technology' means a computerized system (including hardware and software) that—

''(A) protects the privacy and security of health information;

''(B) maintains and provides permitted access to health information in an electronic format;

''(C) incorporates decision support to reduce medical errors and enhance health care quality;

''(D) complies with the standards adopted by the Federal Government under section 2903; and

''(E) allows for the reporting of quality measures under section 2907.

''(8) STATE.—The term 'State' means each of the several States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

''SEC. 2902. OFFICE OF THE NATIONAL COORDINATOR OF HEALTH INFORMATION TECHNOLOGY.

''(a) OFFICE OF NATIONAL HEALTH INFORMATION TECHNOLOGY.—There is established within the Office of the Secretary an Office of the National Coordinator of Health Information Technology (referred to in this section as the 'Office'). The Office shall be headed by a National Coordinator who shall be appointed by the Secretary and shall report directly to the Secretary.

''(b) PURPOSE.—It shall be the purpose of the Office to coordinate with relevant Federal agencies and private entities and oversee programs and activities to develop a nationwide interoperable health information technology infrastructure that—

''(1) ensures that patients' individually identifiable health information is secure and protected;

''(2) improves health care quality, reduces medical errors, and advances the delivery of patient-centered medical care;

''(3) reduces health care costs resulting from inefficiency, medical errors, inappropriate care, and incomplete information;

''(4) ensures that appropriate information to help guide medical decisions is available at the time and place of care;

''(5) promotes a more effective marketplace, greater competition, and increased choice through the wider availability of accurate information on health care costs, quality, and outcomes;

''(6) improves the coordination of care and information among hospitals, laboratories, physician offices, and other entities through an effective infrastructure for the secure and authorized exchange of health care information;

''(7) improves public health reporting and facilitates the early identification and rapid response to public health threats and emergencies, including bioterror events and infectious disease outbreaks;

''(8) facilitates health research; and

''(9) promotes prevention of chronic diseases.

''(c) DUTIES OF THE NATIONAL COORDINATOR.—The National Coordinator shall—

''(1) serve as the principal advisor to the Secretary concerning the development, application, and use of health information technology, and coordinate and oversee the health information technology programs of the Department;

''(2) facilitate the adoption of a nationwide, interoperable system for the electronic exchange of health information;

''(3) ensure the adoption and implementation of standards for the electronic exchange of health information to reduce cost and improve health care quality;

''(4) ensure that health information technology policy and programs of the Department are coordinated with those of relevant executive branch agencies (including Federal commissions) with a goal of avoiding duplication of efforts and of helping to ensure that each agency undertakes health information technology activities primarily within the areas of its greatest expertise and technical capability;

''(5) to the extent permitted by law, coordinate outreach and consultation by the relevant executive branch agencies (including Federal commissions) with public and private parties of interest, including consumers, payers, employers, hospitals and other health care providers, physicians, community health centers, laboratories, vendors and other stakeholders;

''(6) advise the President regarding specific Federal health information technology programs; and

''(7) prepare the reports described under section 2903(i) (excluding paragraph (4) of such section).

''(d) DETAIL OF FEDERAL EMPLOYEES.—

''(1) IN GENERAL.—Upon the request of the National Coordinator, the head of any Federal agency is authorized to detail, with or without reimbursement from the Office, any of the personnel of such agency to the Office to assist it in carrying out its duties under this section.

''(2) EFFECT OF DETAIL.—Any detail of personnel under paragraph (1) shall—

''(A) not interrupt or otherwise affect the civil service status or privileges of the Federal employee; and

''(B) be in addition to any other staff of the Department employed by the National Coordinator.

''(3) ACCEPTANCE OF DETAILEES.—Notwithstanding any other provision of law, the Office may accept detailed personnel from other Federal agencies without regard to whether the agency described under paragraph (1) is reimbursed.

''(e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require the duplication of Federal efforts with respect to the establishment of the Office, regardless of whether such efforts were carried out prior to or after the enactment of this title.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 2006, $5,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

''SEC. 2903. AMERICAN HEALTH INFORMATION COLLABORATIVE.

''(a) PURPOSE.—The Secretary shall establish the public-private American Health Information Collaborative (referred to in this section as the 'Collaborative') to—

''(1) advise the Secretary and recommend specific actions to achieve a nationwide interoperable health information technology infrastructure;

''(2) serve as a forum for the participation of a broad range of stakeholders to provide input on achieving the interoperability of health information technology; and

''(3) recommend standards (including content, communication, and security standards) for the electronic exchange of health information (including for the reporting of quality data under section 2907) for adoption

by the Federal Government and voluntary adoption by private entities.

''(b) COMPOSITION.—

''(1) IN GENERAL.—The Collaborative shall be composed of members of the public and private sectors to be appointed by the Secretary, including representatives from—

''(A) consumer or patient organizations;

''(B) organizations with expertise in privacy and security;

''(C) health care providers;

''(D) health insurance plans or other third party payors;

''(E) information technology vendors; and

''(F) purchasers or employers.

''(2) PARTICIPATION.—In appointing members under paragraph (1), and in developing the procedures for conducting the activities of the Collaborative, the Secretary shall ensure a balance among various sectors of the health care system so that no single sector unduly influences the recommendations of the Collaborative.

''(3) TERMS.—Members appointed under paragraph (1) shall serve for 2 year terms, except that any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term. A member may serve for not to exceed 180 days after the expiration of such member's term or until a successor has been appointed.

''(4) OUTSIDE INVOLVEMENT.—With respect to the functions of the Collaborative, the Secretary shall ensure an adequate opportunity for the participation of outside advisors, including individuals with expertise in—

''(A) health information privacy;

''(B) health information security;

''(C) health care quality and patient safety, including individuals with expertise in utilizing health information technology to improve health care quality and patient safety;

''(D) data exchange; and

''(E) developing health information technology standards and new health information technology.

''(c) RECOMMENDATIONS AND POLICIES.—Not later than 1 year after the date of enactment of this title, and annually thereafter, the Collaborative shall recommend to the Secretary uniform national policies for adoption by the Federal Government and voluntary adoption by private entities to support the widespread adoption of health information technology, including—

''(1) protection of individually identifiable health information through privacy and security practices;

''(2) measures to prevent unauthorized access to health information, including unauthorized access through the use of certain peer-to-peer file-sharing applications;

''(3) methods to notify patients if their individually identifiable health information is wrongfully disclosed;

''(4) methods to facilitate secure patient access to health information;

''(5) fostering the public understanding of health information technology;

''(6) the ongoing harmonization of industry-wide health information technology standards;

''(7) recommendations for a nationwide interoperable health information technology infrastructure;

''(8) the identification and prioritization of specific use cases for which health information technology is valuable, beneficial, and feasible;

''(9) recommendations for the establishment of an entity to ensure the continuation of the functions of the Collaborative; and

''(10) other policies (including recommendations for incorporating health information technology into the provision of care and the organization of the health care workplace) determined to be necessary by the Collaborative.

''(d) STANDARDS.—

''(1) EXISTING STANDARDS.—The standards adopted by the Consolidated Health Informatics Initiative shall be deemed to have been recommended by the Collaborative under this section.

''(2) FIRST YEAR REVIEW.—Not later than 1 year after the date of enactment of this title, the Collaborative shall—

''(A) review existing standards (including content, communication, and security standards) for the electronic exchange of health information;

''(B) identify deficiencies and omissions in such existing standards; and

''(C) identify duplication and overlap in such existing standards;

and recommend new standards and modifications to such existing standards as necessary.

''(3) ONGOING REVIEW.—Beginning 1 year after the date of enactment of this title, and annually thereafter, the Collaborative shall—

''(A) review existing standards (including content, communication, and security standards) for the electronic exchange of health information;

''(B) identify deficiencies and omissions in such existing standards; and

''(C) identify duplication and overlap in such existing standards;

and recommend new standards and modifications to such existing standards as necessary.

''(4) LIMITATION.—The standards and timeframe for adoption described in this section shall be consistent with any standards developed pursuant to the Health Insurance Portability and Accountability Act of 1996.

''(e) FEDERAL ACTION.—Not later than 90 days after the issuance of a recommendation from the Collaborative under subsection (d)(2), the Secretary of Health and Human Services, the Secretary of Veterans Affairs, and the Secretary of Defense, in collaboration with representatives of other relevant Federal agencies, as determined appropriate by the Secretary, shall jointly review such recommendations. If appropriate, the Secretary shall provide for the adoption by the Federal Government of any standard or standards contained in such recommendation.

''(f) COORDINATION OF FEDERAL SPENDING.—

''(1) IN GENERAL.—Not later than 1 year after the adoption by the Federal Government of a recommendation as provided for in subsection (e), and in compliance with chapter 113 of title 40, United States Code, no Federal agency shall expend Federal funds for the purchase of any new health information technology or health information technology system for clinical care or for the electronic retrieval, storage, or exchange of health information that is not consistent with applicable standards adopted by the Federal Government under subsection (e).

''(2) RULE OF CONSTRUCTION.—Nothing in paragraph (1) shall be construed to restrict the purchase of minor (as determined by the Secretary) hardware or software components in order to modify, correct a deficiency in, or extend the life of existing hardware or software.

''(g) COORDINATION OF FEDERAL DATA COLLECTION.—Not later than 3 years after the adoption by the Federal Government of a recommendation as provided for in subsection (e), all Federal agencies collecting health data for the purposes of quality reporting, surveillance, epidemiology, adverse event reporting, research, or for other purposes determined appropriate by the Secretary, shall comply with standards adopted under subsection (e).

''(h) VOLUNTARY ADOPTION.—

''(1) IN GENERAL.—Any standards adopted by the Federal Government under subsection (e) shall be voluntary with respect to private entities.

''(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require that a private entity that enters into a contract with the Federal Government adopt the standards adopted by the Federal Government under this section with respect to activities not related to the contract.

''(3) LIMITATION.—Private entities that enter into a contract with the Federal Government shall adopt the standards adopted by the Federal Government under this section for the purpose of activities under such Federal contract.

''(i) REPORTS.—The Secretary shall submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Finance of the Senate and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives, on an annual basis, a report that—

''(1) describes the specific actions that have been taken by the Federal Government and private entities to facilitate the adoption of an interoperable nationwide system for the electronic exchange of health information;

''(2) describes barriers to the adoption of such a nationwide system;

''(3) contains recommendations to achieve full implementation of such a nationwide system; and

''(4) contains a plan and progress toward the establishment of an entity to ensure the continuation of the functions of the Collaborative.

''(j) APPLICATION OF FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the Collaborative, except that the term provided for under section 14(a)(2) shall be 5 years.

''(k) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require the duplication of Federal efforts with respect to the establishment of the Collaborative, regardless of whether such efforts were carried out prior to or after the enactment of this title.

''(l) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $4,000,000 for fiscal year 2006, $4,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

''SEC. 2904. IMPLEMENTATION AND CERTIFICATION OF HEALTH INFORMATION STANDARDS.

''(a) IMPLEMENTATION.—

''(1) IN GENERAL.—The Secretary, based upon the recommendations of the Collaborative, shall develop criteria to ensure uniform and consistent implementation of any standards for the electronic exchange of health information voluntarily adopted by private entities in technical conformance with such standards adopted under this title.

''(2) IMPLEMENTATION ASSISTANCE.—The Secretary may recognize a private entity or entities to assist private entities in the implementation of the standards adopted under this title using the criteria developed by the Secretary under this section.

''(b) CERTIFICATION.—

''(1) IN GENERAL.—The Secretary, based upon the recommendations of the Collaborative, shall develop criteria to ensure and certify that hardware and software that claim to be in compliance with applicable standards for the electronic exchange of health information adopted under this title have established and maintained such compliance in technical conformance with such standards.

''(2) CERTIFICATION ASSISTANCE.—The Secretary may recognize a private entity or entities to assist in the certification described under paragraph (1) using the criteria developed by the Secretary under this section.

''(c) OUTSIDE INVOLVEMENT.—The Secretary, through consultation with the Collaborative, may accept recommendations on the development of the criteria under subsections (a) and (b) from a Federal agency or private entity.

''SEC. 2905. GRANTS TO FACILITATE THE WIDESPREAD ADOPTION OF INTEROPERABLE HEALTH INFORMATION TECHNOLOGY.

''(a) COMPETITIVE GRANTS TO FACILITATE THE WIDESPREAD ADOPTION OF HEALTH INFORMATION TECHNOLOGY.—

''(1) IN GENERAL.—The Secretary may award competitive grants to eligible entities to facilitate the purchase and enhance the utilization of qualified health information technology systems to improve the quality and efficiency of health care.

''(2) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1) an entity shall—

''(A) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

''(B) submit to the Secretary a strategic plan for the implementation of data sharing and interoperability measures;

''(C) be a—

''(i) not for profit hospital, including a federally qualified health center (as defined in section 1861(aa)(4) of the Social Security Act);

''(ii) individual or group practice; or

''(iii) another health care provider not described in clause (i) or (ii);

''(D) adopt the standards adopted by the Federal Government under section 2903;

''(E) implement the measures adopted under section 2907 and report to the Secretary on such measures;

''(F) agree to notify patients if their individually identifiable health information is wrongfully disclosed;

''(G) demonstrate significant financial need; and

''(H) provide matching funds in accordance with paragraph (4).

''(3) USE OF FUNDS.—Amounts received under a grant under this subsection shall be used to facilitate the purchase and enhance the utilization of qualified health information technology systems and training personnel in the use of such technology.

''(4) MATCHING REQUIREMENT.—To be eligible for a grant under this subsection an entity shall contribute non-Federal contributions to the costs of carrying out the activities for which the grant is awarded in an amount equal to $1 for each $3 of Federal funds provided under the grant.

''(5) PREFERENCE IN AWARDING GRANTS.—In awarding grants under this subsection the Secretary shall give preference to—

''(A) eligible entities that are located in rural, frontier, and other underserved areas as determined by the Secretary;

''(B) eligible entities that will link, to the extent practicable, the qualified health information system to local or regional health information plan or plans; and

''(C) with respect to an entity described in subsection (a)(2)(C)(iii), a nonprofit health care provider.

''(b) COMPETITIVE GRANTS TO STATES FOR THE DEVELOPMENT OF STATE LOAN PROGRAMS TO FACILITATE THE WIDESPREAD ADOPTION OF HEALTH INFORMATION TECHNOLOGY.—

''(1) IN GENERAL.—The Secretary may award competitive grants to States for the establishment of State programs for loans to health care providers to facilitate the purchase and enhance the utilization of qualified health information technology.

''(2) ESTABLISHMENT OF FUND.—To be eligible to receive a competitive grant under this subsection, a State shall establish a qualified health information technology loan fund (referred to in this subsection as a 'State loan fund') and comply with the other requirements contained in this section. A grant to a State under this subsection shall be deposited in the State loan fund established by the State. No funds authorized by other provisions of this title to be used for other purposes specified in this title shall be deposited in any State loan fund.

''(3) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1) a State shall—

''(A) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

''(B) submit to the Secretary a strategic plan in accordance with paragraph (4);

''(C) establish a qualified health information technology loan fund in accordance with paragraph (2);

''(D) require that health care providers receiving such loans—

''(i) link, to the extent practicable, the qualified health information system to a local or regional health information network;

''(ii) consult with the Health Information Technology Resource Center established in section 914(d) to access the knowledge and experience of existing initiatives regarding the successful implementation and effective use of health information technology; and

''(iii) agree to notify patients if their individually identifiable health information is wrongfully disclosed;

''(E) require that health care providers receiving such loans adopt the standards adopted by the Federal Government under section 2903;

''(F) require that health care providers receiving such loans implement the measures adopted under section 2907 and report to the Secretary on such measures; and

''(G) provide matching funds in accordance with paragraph (8).

''(4) STRATEGIC PLAN.—

''(A) IN GENERAL.—A State that receives a grant under this subsection shall annually prepare a strategic plan that identifies the intended uses of amounts available to the State loan fund of the State.

''(B) CONTENTS.—A strategic plan under subparagraph (A) shall include—

''(i) a list of the projects to be assisted through the State loan fund in the first fiscal year that begins after the date on which the plan is submitted;

''(ii) a description of the criteria and methods established for the distribution of funds from the State loan fund; and

''(iii) a description of the financial status of the State loan fund and the short-term and long-term goals of the State loan fund.

''(5) USE OF FUNDS.—

''(A) IN GENERAL.—Amounts deposited in a State loan fund, including loan repayments and interest earned on such amounts, shall be used only for awarding loans or loan guarantees, or as a source of reserve and security for leveraged loans, the proceeds of which are deposited in the State loan fund established under paragraph (1). Loans under this section may be used by a health care provider to facilitate the purchase and enhance the utilization of qualified health information technology and training of personnel in the use of such technology.

''(B) LIMITATION.—Amounts received by a State under this subsection may not be used—

''(i) for the purchase or other acquisition of any health information technology system that is not a qualified health information technology system;

''(ii) to conduct activities for which Federal funds are expended under this title, or the amendments made by the Wired for Health Care Quality Act; or

''(iii) for any purpose other than making loans to eligible entities under this section.

''(6) TYPES OF ASSISTANCE.—Except as otherwise limited by applicable State law, amounts deposited into a State loan fund under this subsection may only be used for the following:

''(A) To award loans that comply with the following:

''(i) The interest rate for each loan shall be less than or equal to the market interest rate.

''(ii) The principal and interest payments on each loan shall commence not later than 1 year after the loan was awarded, and each loan shall be fully amortized not later than 10 years after the date of the loan.

''(iii) The State loan fund shall be credited with all payments of principal and interest on each loan awarded from the fund.

''(B) To guarantee, or purchase insurance for, a local obligation (all of the proceeds of which finance a project eligible for assistance under this subsection) if the guarantee or purchase would improve credit market access or reduce the interest rate applicable to the obligation involved.

''(C) As a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the State if the proceeds of the sale of the bonds will be deposited into the State loan fund.

''(D) To earn interest on the amounts deposited into the State loan fund.

''(7) ADMINISTRATION OF STATE LOAN FUNDS.—

''(A) COMBINED FINANCIAL ADMINISTRATION.—A State may (as a convenience and to avoid unnecessary administrative costs) combine, in accordance with State law, the financial administration of a State loan fund established under this subsection with the financial administration of any other revolving fund established by the State if otherwise not prohibited by the law under which the State loan fund was established.

''(B) COST OF ADMINISTERING FUND.—Each State may annually use not to exceed 4 percent of the funds provided to the State under a grant under this subsection to pay the reasonable costs of the administration of the programs under this section, including the recovery of reasonable costs expended to establish a State loan fund which are incurred after the date of enactment of this title.

''(C) GUIDANCE AND REGULATIONS.—The Secretary shall publish guidance and promulgate regulations as may be necessary to carry out the provisions of this subsection, including—

''(i) provisions to ensure that each State commits and expends funds allotted to the State under this subsection as efficiently as possible in accordance with this title and applicable State laws; and

''(ii) guidance to prevent waste, fraud, and abuse.

''(D) PRIVATE SECTOR CONTRIBUTIONS.—

''(i) IN GENERAL.—A State loan fund established under this subsection may accept contributions from private sector entities, except that such entities may not specify the recipient or recipients of any loan issued under this subsection.

''(ii) AVAILABILITY OF INFORMATION.—A State shall make publicly available the identity of, and amount contributed by, any private sector entity under clause (i) and may issue letters of commendation or make other awards (that have no financial value) to any such entity.

''(8) MATCHING REQUIREMENTS.—

''(A) IN GENERAL.—The Secretary may not make a grant under paragraph (1) to a State unless the State agrees to make available (directly or through donations from public or private entities) non-Federal contributions in cash toward the costs of the State program to be implemented under the grant in an amount equal to not less than $1 for each $1 of Federal funds provided under the grant.

''(B) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.—In determining the amount of non-Federal contributions that a State has provided pursuant to subparagraph (A), the Secretary may not include any amounts provided to the State by the Federal Government.

''(9) PREFERENCE IN AWARDING GRANTS.—The Secretary may give a preference in awarding grants under this subsection to States that adopt value-based purchasing programs to improve health care quality.

''(10) REPORTS.—The Secretary shall annually submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Finance of the Senate, and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives, a report summarizing the reports received by the Secretary from each State that receives a grant under this subsection.

''(c) COMPETITIVE GRANTS FOR THE IMPLEMENTATION OF REGIONAL OR LOCAL HEALTH INFORMATION TECHNOLOGY PLANS.—

''(1) IN GENERAL.—The Secretary may award competitive grants to eligible entities to implement regional or local health information plans to improve health care quality and efficiency through the electronic exchange of health information pursuant to the standards, protocols, and other requirements adopted by the Secretary under sections 2903 and 2907.

''(2) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1) an entity shall—

''(A) demonstrate financial need to the Secretary;

''(B) demonstrate that one of its principal missions or purposes is to use information technology to improve health care quality and efficiency;

''(C) adopt bylaws, memoranda of understanding, or other charter documents that demonstrate that the governance structure and decisionmaking processes of such entity allow for participation on an ongoing basis by multiple stakeholders within a community, including—

''(i) physicians (as defined in section 1861(r) of the Social Security Act), including physicians that provide services to low income and underserved populations;

''(ii) hospitals (including hospitals that provide services to low income and underserved populations);

''(iii) pharmacists or pharmacies;

''(iv) health insurance plans;

''(v) health centers (as defined in section 330(b)) and Federally qualified health centers (as defined in section 1861(aa)(4) of the Social Security Act);

''(vi) rural health clinics (as defined in section 1861(aa) of the Social Security Act);

''(vii) patient or consumer organizations;

''(viii) employers; and

''(ix) any other health care providers or other entities, as determined appropriate by the Secretary;

''(D) demonstrate the participation, to the extent practicable, of stakeholders in the electronic exchange of health information within the local or regional plan pursuant to paragraph (2)(C);

''(E) adopt nondiscrimination and conflict of interest policies that demonstrate a commitment to open, fair, and nondiscriminatory participation in the health information plan by all stakeholders;

''(F) adopt the standards adopted by the Secretary under section 2903;

''(G) require that health care providers receiving such grants implement the measures adopted under section 2907 and report to the Secretary on such measures;

''(H) agree to notify patients if their individually identifiable health information is wrongfully disclosed;

''(I) facilitate the electronic exchange of health information within the local or regional area and among local and regional areas;

''(J) prepare and submit to the Secretary an application in accordance with paragraph (3); and

''(K) agree to provide matching funds in accordance with paragraph (5).

''(3) APPLICATION.—

''(A) IN GENERAL.—To be eligible to receive a grant under paragraph (1), an entity shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

''(B) REQUIRED INFORMATION.—At a minimum, an application submitted under this paragraph shall include—

''(i) clearly identified short-term and long-term objectives of the regional or local health information plan;

''(ii) a technology plan that complies with the standards adopted under section 2903 and that includes a descriptive and reasoned estimate of costs of the hardware, software, training, and consulting services necessary to implement the regional or local health information plan;

''(iii) a strategy that includes initiatives to improve health care quality and efficiency, including the use and reporting of health care quality measures adopted under section 2907;

''(iv) a plan that describes provisions to encourage the implementation of the electronic exchange of health information by all physicians, including single physician practices and small physician groups participating in the health information plan;

''(v) a plan to ensure the privacy and security of personal health information that is consistent with Federal and State law;

''(vi) a governance plan that defines the manner in which the stakeholders shall jointly make policy and operational decisions on an ongoing basis;

''(vii) a financial or business plan that describes—

''(I) the sustainability of the plan;

''(II) the financial costs and benefits of the plan; and

''(III) the entities to which such costs and benefits will accrue; and

''(viii) in the case of an applicant entity that is unable to demonstrate the participation of all stakeholders pursuant to paragraph (2)(C), the justification from the entity for any such nonparticipation.

''(4) USE OF FUNDS.—Amounts received under a grant under paragraph (1) shall be used to establish and implement a regional or local health information plan in accordance with this subsection.

''(5) MATCHING REQUIREMENT.—

''(A) IN GENERAL.—The Secretary may not make a grant under this subsection to an entity unless the entity agrees that, with respect to the costs to be incurred by the entity in carrying out the infrastructure program for which the grant was awarded, the entity will make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount equal to not less than 50 percent of such costs ($1 for each $2 of Federal funds provided under the grant).

''(B) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions required under subparagraph (A) may be in cash or in kind, fairly evaluated, including equipment, technology, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

''(d) REPORTS.—Not later than 1 year after the date on which the first grant is awarded under this section, and annually thereafter during the grant period, an entity that receives a grant under this section shall submit to the Secretary a report on the activities carried out under the grant involved. Each such report shall include—

''(1) a description of the financial costs and benefits of the project involved and of the entities to which such costs and benefits accrue;

''(2) an analysis of the impact of the project on health care quality and safety;

''(3) a description of any reduction in duplicative or unnecessary care as a result of the project involved;

''(4) a description of the efforts of recipients under this section to facilitate secure patient access to health information; and

''(5) other information as required by the Secretary.

''(e) REQUIREMENT TO ACHIEVE QUALITY IMPROVEMENT.—The Secretary shall annually evaluate the activities conducted under this section and shall, in awarding grants, implement the lessons learned from such evaluation in a manner so that awards made subsequent to each such evaluation are made in a manner that, in the determination of the Secretary, will result in the greatest improvement in quality measures under section 2907.

''(f) LIMITATION.—An eligible entity may only receive one non-renewable grant under subsection (a), one non-renewable grant under subsection (b), and one non-renewable grant under subsection (c).

''(g) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—For the purpose of carrying out this section, there is authorized to be appropriated $116,000,000 for fiscal year 2006, $141,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

''(2) AVAILABILITY.—Amounts appropriated under paragraph (1) shall remain available through fiscal year 2010.

''SEC. 2906. DEMONSTRATION PROGRAM TO INTEGRATE INFORMATION TECHNOLOGY INTO CLINICAL EDUCATION.

''(a) IN GENERAL.—The Secretary may award grants under this section to carry out demonstration projects to develop academic curricula integrating qualified health information technology systems in the clinical education of health professionals. Such awards shall be made on a competitive basis and pursuant to peer review.

''(b) ELIGIBILITY.—To be eligible to receive a grant under subsection (a), an entity shall—

''(1) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

''(2) submit to the Secretary a strategic plan for integrating qualified health information technology in the clinical education of health professionals and for ensuring the consistent utilization of decision support software to reduce medical errors and enhance health care quality;

''(3) be—

''(A) a health professions school;

''(B) a school of nursing; or

''(C) an institution with a graduate medical education program;

''(4) provide for the collection of data regarding the effectiveness of the demonstration project to be funded under the grant in improving the safety of patients, the efficiency of health care delivery, and in increasing the likelihood that graduates of the grantee will adopt and incorporate health information technology, and implement the quality measures adopted under section 2907, in the delivery of health care services; and

''(5) provide matching funds in accordance with subsection (c).

''(c) USE OF FUNDS.—

''(1) IN GENERAL.—With respect to a grant under subsection (a), an eligible entity shall—

''(A) use grant funds in collaboration with 2 or more disciplines; and

''(B) use grant funds to integrate qualified health information technology into community-based clinical education.

''(2) LIMITATION.—An eligible entity shall not use amounts received under a grant under subsection (a) to purchase hardware, software, or services.

''(d) MATCHING FUNDS.—

''(1) IN GENERAL.—The Secretary may award a grant to an entity under this section only if the entity agrees to make available non-Federal contributions toward the costs of the program to be funded under the grant in an amount that is not less than $1 for each $2 of Federal funds provided under the grant.

''(2) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions under paragraph (1) may be in cash or in kind, fairly evaluated, including equipment or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such contributions.

''(e) EVALUATION.—The Secretary shall take such action as may be necessary to evaluate the projects funded under this section and publish, make available, and disseminate the results of such evaluations on as wide a basis as is practicable.

''(f) REPORTS.—Not later than 1 year after the date of enactment of this title, and annually thereafter, the Secretary shall submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Finance of the Senate, and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives a report that—

''(1) describes the specific projects established under this section; and

''(2) contains recommendations for Congress based on the evaluation conducted under subsection (e).

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

''(h) SUNSET.—This section shall not apply after September 30, 2010.

''SEC. 2907. QUALITY MEASURES.

''(a) IN GENERAL.—The Secretary shall develop quality measures, including measures to assess the effectiveness, timeliness, patient self-management, patient centeredness, efficiency, and safety, for the purpose of measuring the quality of care patients receive.

''(b) REQUIREMENTS.—The Secretary shall ensure that the quality measures developed under this section comply with the following:

''(1) MEASURES.—

''(A) REQUIREMENTS.—In developing the quality measures under this section, the Secretary shall, to the extent feasible, ensure that—

''(i) such measures are evidence based, reliable, and valid;

''(ii) such measures are consistent with the purposes described in section 2902(b);

''(iii) such measures include measures of clinical processes and outcomes, patient experience, efficiency, and equity; and

''(iv) such measures include measures of overuse and underuse of health care items and services.

''(2) PRIORITIES.—In developing the quality measures under this section, the Secretary shall ensure that priority is given to—

''(A) measures with the greatest potential impact for improving the quality and efficiency of care provided under this Act;

''(B) measures that may be rapidly implemented by group health plans, health insurance issuers, physicians, hospitals, nursing homes, long-term care providers, and other providers; and

''(C) measures which may inform health care decisions made by consumers and patients.

''(3) RISK ADJUSTMENT.—The Secretary shall establish procedures to account for differences in patient health status, patient characteristics, and geographic location. To the extent practicable, such procedures shall recognize existing procedures.

''(4) MAINTENANCE.—The Secretary shall, as determined appropriate, but in no case more often than once during each 12-month period, update the quality measures, including through the addition of more accurate and precise measures and the retirement of existing outdated measures.

''(5) RELATIONSHIP WITH PROGRAMS UNDER THE SOCIAL SECURITY ACT.—The Secretary shall ensure that the quality measures developed under this section—

''(A) complement quality measures developed by the Secretary under programs administered by the Secretary under the Social Security Act, including programs under titles XVIII, XIX, and XXI of such Act; and

''(B) do not conflict with the needs and priorities of the programs under titles XVIII, XIX, and XXI of such Act, as set forth by the Administrator of the Centers for Medicare & Medicaid Services.

''(c) REQUIRED CONSIDERATIONS IN DEVELOPING AND UPDATING THE MEASURES.—In developing and updating the quality measures under this section, the Secretary may take into account—

''(1) any demonstration or pilot program conducted by the Secretary relating to measuring and rewarding quality and efficiency of care;

''(2) any existing activities conducted by the Secretary relating to measuring and rewarding quality and efficiency;

''(3) any existing activities conducted by private entities, including health insurance plans and payors;

''(4) the report by the Institute of Medicine of the National Academy of Sciences under section 238(b) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003; and

''(5) issues of data collection and reporting, including the feasibility of collecting and reporting data on measures.

''(d) SOLICITATION OF ADVICE AND RECOMMENDATIONS.—On and after July 1, 2006, the Secretary shall consult with the following regarding the development, updating, and use of quality measures developed under this section:

''(1) Health insurance plans and health care providers, including such plans and providers with experience in the care of the frail elderly and individuals with multiple complex chronic conditions, or groups representing such health insurance plans and providers.

''(2) Groups representing patients and consumers.

''(3) Purchasers and employers or groups representing purchasers or employers.

''(4) Organizations that focus on quality improvement as well as the measurement and reporting of quality measures.

''(5) Organizations that certify and license health care providers.

''(6) State government public health programs.

''(7) Individuals or entities skilled in the conduct and interpretation of biomedical, health services, and health economics research and with expertise in outcomes and effectiveness research and technology assessment.

''(8) Individuals or entities involved in the development and establishment of standards and certification for health information technology systems and clinical data.

''(9) Individuals or entities with experience with—

''(A) urban health care issues;

''(B) safety net health care issues; and

''(C) rural and frontier health care issues.

''(e) USE OF QUALITY MEASURES.—

''(1) IN GENERAL.—For purposes of activities conducted or supported by the Secretary under this Act, the Secretary shall, to the extent practicable, adopt and utilize the quality measures developed under this section.

''(2) COLLABORATIVE AGREEMENTS.—With respect to activities conducted or supported by the Secretary under this Act, the Secretary may establish collaborative agreements with private entities, including group health plans and health insurance issuers, providers, purchasers, consumer organizations, and entities receiving a grant under section 2905, to—

''(A) encourage the use of the quality measures adopted by the Secretary under this section; and

''(B) foster uniformity between the health care quality measures utilized by private entities.

''(3) REPORTING.—The Secretary shall implement procedures to enable the Department of Health and Human Services to accept the electronic submission of data for purposes of—

''(A) quality measurement using the quality measures developed under this section and using the standards adopted by the Federal Government under section 2903; and

''(B) for reporting measures used to make value-based payments under programs under the Social Security Act.

''(f) DISSEMINATION OF INFORMATION.—Beginning on January 1, 2008, in order to make comparative quality information available to health care consumers, health professionals, public health officials, researchers, and other appropriate individuals and entities, the Secretary shall provide for the dissemination, aggregation, and analysis of quality measures collected under section 2905 and the dissemination of recommendations and best practices derived in part from such analysis.

''(g) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to public and private entities to enable such entities to—

''(1) implement and use evidence-based guidelines with the greatest potential to improve health care quality, efficiency, and patient safety; and

''(2) establish mechanisms for the rapid dissemination of information regarding evidence-based guidelines with the greatest potential to improve health care quality, efficiency, and patient safety.

''(h) RULE OF CONSTRUCTION.—Nothing in this title shall be construed as prohibiting the Secretary, acting through the Administrator of the Centers for Medicare & Medicaid Services, from developing quality

measures (and timing requirements for reporting such measures) for use under programs administered by the Secretary under the Social Security Act, including programs under titles XVIII, XIX, and XXI of such Act.''.

SEC. 3. LICENSURE AND THE ELECTRONIC EXCHANGE OF HEALTH INFORMATION.

(a) IN GENERAL.—The Secretary of Health and Human Services shall carry out, or contract with a private entity to carry out, a study that examines—

(1) the variation among State laws that relate to the licensure, registration, and certification of medical professionals; and

(2) how such variation among State laws impacts the secure electronic exchange of health information—

(A) among the States; and

(B) between the States and the Federal Government.

(b) REPORT AND RECOMMENDATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary of Health and Human Services shall publish a report that—

(1) describes the results of the study carried out under subsection (a); and

(2) makes recommendations to States regarding the harmonization of State laws based on the results of such study.

SEC. 4. ENSURING PRIVACY AND SECURITY.

Nothing in this Act (or the amendments made by this Act) shall be construed to affect the scope, substance, or applicability of—

(1) section 264 of the Health Insurance Portability and Accountability Act of 1996;

(2) sections 1171 through 1179 of the Social Security Act; and

(3) any regulation issued pursuant to any such section.

SEC. 5. GAO STUDY.

Not later than 6 months after the date of enactment of this Act, the Comptroller General of the United States shall submit to Congress a report on the necessity and workability of requiring health plans (as defined in section 1171 of the Social Security Act (42 U.S.C. 1320d)), health care clearinghouses (as defined in such section 1171), and health care providers (as defined in such section 1171) who transmit health information in electronic form, to notify patients if their individually identifiable health information (as defined in such section 1171) is wrongfully disclosed.

SEC. 6. STUDY OF REIMBURSEMENT INCENTIVES.

The Secretary of Health and Human Services shall carry out, or contract with a private entity to carry out, a study that examines methods to create efficient reimbursement incentives for improving health care quality in Federally qualified health centers, rural health clinics, and free clinics.

SEC. 7. HEALTH INFORMATION TECHNOLOGY RESOURCE CENTER.

Section 914 of the Public Health Service Act (42 U.S.C. 299b–3) is amended by adding at the end the following:

''(d) HEALTH INFORMATION TECHNOLOGY RESOURCE CENTER.—

''(1) IN GENERAL.—The Secretary, acting through the Director, shall develop a Health Information Technology Resource Center to provide technical assistance and develop best practices to support and accelerate efforts to adopt, implement, and effectively use interoperable health information technology in compliance with section 2903 and 2907.

''(2) PURPOSES.—The purpose of the Center is to—

''(A) provide a forum for the exchange of knowledge and experience;

''(B) accelerate the transfer of lessons learned from existing public and private sector initiatives, including those currently receiving Federal financial support;

''(C) assemble, analyze, and widely disseminate evidence and experience related to the adoption, implementation, and effective use of interoperable health information technology.

''(D) provide for the establishment of regional and local health information networks to facilitate the development of interoperability across health care settings and improve the quality of health care;

''(E) provide for the development of solutions to barriers to the exchange of electronic health information; and

''(F) conduct other activities identified by the States, local or regional health information networks, or health care stakeholders as a focus for developing and sharing best practices.

''(3) SUPPORT FOR ACTIVITIES.—To provide support for the activities of the Center, the Director shall modify the requirements, if necessary, that apply to the National Resource Center for Health Information Technology to provide the necessary infrastructure to support the duties and activities of the Center and facilitate information exchange across the public and private sectors.

''(4) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to require the duplication of Federal efforts with respect to the establishment of the Center, regardless of whether such efforts were carried out prior to or after the enactment of this subsection.

''(e) TECHNICAL ASSISTANCE TELEPHONE NUMBER OR WEBSITE.—The Secretary shall establish a toll-free telephone number or Internet website to provide health care providers and patients with a single point of contact to—

''(1) learn about Federal grants and technical assistance services related to interoperable health information technology;

''(2) learn about qualified health information technology and the quality measures adopted by the Federal Government under sections 2903 and 2907;

''(3) learn about regional and local health information networks for assistance with health information technology; and

''(4) disseminate additional information determined by the Secretary.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated, such sums as may be necessary for each of fiscal years 2006 and 2007 to carry out this subsection.''.

SEC. 8. REAUTHORIZATION OF INCENTIVE GRANTS REGARDING TELEMEDICINE.

Section 330L(b) of the Public Health Service Act (42 U.S.C. 254c–18(b)) is amended by striking ''2002 through 2006'' and inserting ''2006 through 2010''.

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON INDIAN AFFAIRS

Mr. MCCAIN. Mr. President, I would like to announce that the Committee on Indian Affairs will meet on Thursday, November 17, 2005, at 10 a.m. in Room 216 of the Hart Senate Office Building to conduct an oversight hearing on the In Re Tribal Lobbying Matters, Et Al. Those wishing additional information may contact the Indian Affairs Committee at 224–2251.

AUTHORITIES FOR COMMITTEES TO MEET

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to conduct a hearing during the session of the Senate on Thursday, November 17, 2005 at 10 a.m. in 328A, Senate Russell Office Building. The purpose of this Committee hearing will be to consider the role of U.S. agriculture in the control and eradication of avian influenza.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on November 17, 2005, at 10 a.m., to conduct a hearing on ''A Review of the GAO Report on the Sale of Financial Products to Military Personnel.''

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be authorized to meet on Thursday, November 17, 2005, at 2:30 p.m., on pending Committee business.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to hold a business meeting on November 17, 2005 at 9:30 a.m. to consider the following agenda:

S. 1708 ''Emergency Lease Requirements Act of 2005.''

S. 1496 ''Electronic Duck Stamp Act of 2005.''

S. 1165 ''James Campbell National Wildlife Refuge Expansion Act of 2005.''

S.____ ''Army Corps Assessment Authorization for the State of Louisiana.''

Eight Committee resolutions to authorize the remainder of GSA's FY06 Capital Investment and Leasing Program.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to hold a hearing on November 17, 2005 at 9:35 a.m. to evaluate the degree to which the preliminary findings on the failure of the levees are being incorporated into the restoration of hurricane protection.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON HOMELAND SECURITY AND GOVERNMENTAL AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Homeland Security and Governmental Affairs be authorized to meet on Thursday, November 17, 2005, at 10 a.m. for a hearing titled, ''From Proposed to Final: Evaluating Regulations for the National Security Personnel System.''

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Thursday, November 17, 2005, at 10 a.m. in Room 216 of the Hart Senate Office Building to conduct an oversight hearing on the In Re Tribal Lobbying Matters, et al.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, November 17, 2005 at 9:30 a.m. in Senate Dirksen Office Building Room 226.

Agenda

I. Nominations

Joseph Frank Bianco, to be U.S. District Judge for the Eastern District of New York; Timothy Mark Burgess, to be U.S. District Judge for the District of Alaska; Gregory F. Van Tatenhove, to be U.S. District Judge for the Eastern District of Kentucky; Eric Nicholas Vitaliano, to be U.S. District Judge for the Eastern District of New York; James O'Gara, to be Deputy Director for Supply Reduction, Office of National Drug Control Policy; Emilio Gonzalez, to be Director of the Bureau of Citizenship and Immigration Services, Department of Homeland Security; Catherine Lucille Hanaway, to be U.S. Attorney for the Eastern District of Missouri; Carol E. Dinkins, to be Chairman of the Privacy and Civil Liberties Oversight Board; Alan Charles Raul, to be Vice Chairman of the Privacy and Civil Liberties Oversight Board.

II. Bills

S. 1088, Streamlined Procedures Act of 2005, Kyl, Cornyn, Grassley, Hatch;

S. 1789, Personal Data Privacy and Security Act of 2005, Specter, Leahy, Feinstein, Feingold;

S. 751, Notification of Risk to Personal Data Act, Feinstein, Kyl;

H.R. 683, Trademark Dilution Revision Act of 2005, Smith–TX;

S. 1967, A bill to amend title 18, United States Code, with respect to certain activities of the Secret Service, and for other purposes, Specter;

S. 1961, Extending the Child Safety Pilot Program Act of 2005, Biden, Hatch, Cornyn;

S. 1354, Wartime Treatment Study Act, Feingold, Grassley, Kennedy;

S. ———, Comprehensive Immigration Reform, Chairman's Mark.

III. Matters

S.J. Res. 1, Marriage Protection Amendment, Allard, Sessions, Kyl, Hatch, Cornyn, Coburn, Brownback.

COMMITTEE ON THE JUDICIARY

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to meet to conduct a hearing on ''Recent Developments in Assessing Future Asbestos Claims Under the FAIR Act'' on Thursday, November 17, 2005 at 2 p.m. in the Dirksen Senate Office Building Room 226.

Panel I: Douglas Holtz-Eakin, Ph.D., Director, Congressional Budget Office, Washington, DC.

Panel II: Charles Bates, Ph.D., Chairman, Bates White LLC, Washington, DC; Laura Welch, M.D., Medical Director, Center to Protect Workers Rights, Washington, DC; Mark Peterson, Ph.D., President, Legal Analysis Systems, Thousand Oaks, CA; Mark Lederer, Chief Financial Officer, Claims Resolution Management Corporation (aka The Manville Trust), Katonah, NY; Denise Martin, Ph.D., Sr. Vice President, National Economic Research Associates, New York, NY.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on November 17, 2005 at 10:30 a.m. to hold a closed hearing.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to meet during the session of the Senate on November 17, 2005 at 2:30 p.m. to hold a closed business meeting.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AFRICAN AFFAIRS

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on African Affairs be authorized to meet during the session of the Senate on Thursday, November 17, 2005, at 2:30 p.m. to hold a hearing on African Organizations and Institutions: Cross-Continental Progress.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON AVIATION

Mr. GRASSLEY. Mr. President, I ask unanimous consent that the Subcommittee on Aviation be authorized to meet on Thursday, November 17, 2005, at 10 a.m., on Aviation Safety.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR

Mr. LEAHY. Mr. President, I ask unanimous consent that Priya Narasimhan be granted the privilege of the floor during votes and throughout the debate today.

The PRESIDING OFFICER. Without objection, it is so ordered.

MEETING THE HOUSING AND SERVICE NEEDS OF SENIORS ACT OF 2005

Mr. GRASSLEY. Mr. President, for the leader I have a unanimous consent request that the Senate proceed to the immediate consideration of Calendar No. 285, S. 705.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 705) to establish the Interagency Council on Meeting the Housing and Service Needs of Seniors, and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing, and Urban Affairs, with an amendment, as follows:

[Strike out all after the enacting clause and insert the part printed in italic.]

S. 705

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 ''Meeting the Housing and Service Needs of Seniors Act of 2005''.

[SEC. 2. FINDINGS.

[Congress finds the following:

[(1) The senior population (persons 65 or older) in this country is rapidly growing, and is expected to increase from 34,700,000 in 2000 to nearly 40,000,000 by 2010, and then will dramatically increase to over 50,000,000 by 2020.

[(2) By 2020, the population of ''older'' seniors, those over age 85, is expected to double to 7,000,000, and then double again to 14,000,000 by 2040.

[(3) As the senior population increases, so does the need for additional safe, decent, affordable, and suitable housing that meets their unique needs.

[(4) Due to the health care, transportation, and service needs of seniors, issues of providing suitable and affordable housing opportunities differ significantly from the housing needs of other families.

[(5) Seniors need access to a wide array of housing options, such as affordable assisted living, in-home care, supportive or service-enriched housing, and retrofitted homes and apartments to allow seniors to age in place and to avoid premature placement in institutional settings.

[(6) While there are many programs in place to assist seniors in finding and affording suitable housing and accessing needed services, these programs are fragmented and spread across many agencies, making it difficult for seniors to access assistance or to receive comprehensive information.

[(7) Better coordination among Federal agencies is needed, as is better coordination at State and local levels, to ensure that seniors can access government activities, programs, services, and benefits in an effective and efficient manner.

[(8) Up to date, accurate, and accessible statistics on key characteristics of seniors, including conditions, behaviors, and needs, are required to accurately identify the housing and service needs of seniors.

[SEC. 3. DEFINITIONS.

[In this Act:

[(1) The term ''housing'' means any form of residence, including rental housing, homeownership, assisted living, group home, supportive housing arrangement, nursing facility, or any other physical location where a person can live.

[(2) The term ''service'' includes transportation, health care, nursing assistance, meal, personal care and chore services, assistance with daily activities, mental health care, physical therapy, case management, and any other services needed by seniors to allow

them to stay in their housing or find alternative housing that meets their needs.

[(3) The term ''program'' includes any Federal or State program providing income support, health benefits or other benefits to seniors, housing assistance, mortgages, mortgage or loan insurance or guarantees, housing counseling, supportive services, assistance with daily activities, or other assistance for seniors.

[(4) The term ''Council'' means the Interagency Council on Meeting the Housing and Service Needs of Seniors.

[(5) The term ''senior'' means any individual 65 years of age or older.

[SEC. 4. INTERAGENCY COUNCIL ON MEETING THE HOUSING AND SERVICE NEEDS OF SENIORS.

[(a) ESTABLISHMENT.—There is established in the executive branch an independent council to be known as the Interagency Council on Meeting the Housing and Service Needs of Seniors.

[(b) OBJECTIVES.—The objectives of the Council are as follows:

[(1) To promote coordination and collaboration among the Federal departments and agencies involved with housing, health care, and service needs of seniors in order to better meet the needs of senior citizens.

[(2) To identify the unique housing and service needs faced by seniors around the country and to recommend ways that the Federal Government, States, State and local governments, and others can better meet those needs, including how to ensure that seniors can find and afford housing that allows them to access health care, transportation, nursing assistance, and assistance with daily activities where they live or in their communities.

[(3) To facilitate the aging in place of seniors, by identifying and making available the programs and services necessary to enable seniors to remain in their homes as they age.

[(4) To improve coordination among the housing and service related programs and services of Federal agencies for seniors and to make recommendations about needed changes with an emphasis on—

[(A) maximizing the impact of existing programs and services;

[(B) reducing or eliminating areas of overlap and duplication in the provision and accessibility of such programs and services; and

[(C) making access to programs and services easier for seniors around the country.

[(5) To increase the efficiency and effectiveness of existing housing and service related programs and services which serve seniors.

[(6) To establish an ongoing system of coordination among and within such agencies or organizations so that the housing and service needs of seniors are met in a more efficient manner.

[(c) MEMBERSHIP.—The Council shall be composed of the following:

[(1) The Secretary of Housing and Urban Development or a designee of the Secretary.

[(2) The Secretary of Health and Human Services or a designee of the Secretary.

[(3) The Secretary of Agriculture or a designee of the Secretary.

[(4) The Secretary of Transportation or a designee of the Secretary.

[(5) The Secretary of Labor or a designee of the Secretary.

[(6) The Secretary of Veterans Affairs or a designee of the Secretary.

[(7) The Secretary of the Treasury or a designee of the Secretary.

[(8) The Commissioner of the Social Security Administration or a designee of the Commissioner.

[(9) The Administrator of the Centers for Medicare and Medicaid Services or a designee of the Administrator.

[(10) The Administrator of the Administration on Aging or a designee of the Administrator.

[(11) The head (or designee) of any other Federal agency as the Council considers appropriate.

[(12) State and local representatives knowledgeable about the needs of seniors as chosen by the Council members described in paragraphs (1) through (11).

[(d) CHAIRPERSON.—The Chairperson of the Council shall alternate between the Secretary of Housing and Urban Development and the Secretary of Health and Human Services on an annual basis.

[(e) VICE CHAIR.—Each year, the Council shall elect a Vice Chair from among its members.

[(f) MEETINGS.—The Council shall meet at the call of its Chairperson or a majority of its members at any time, and no less often than quarterly. The Council shall hold meetings with stakeholders and other interested parties at least twice a year, so that the opinions of such parties can be taken into account and so that outside groups can learn of the Council's activities and plans.

[SEC. 5. FUNCTIONS OF THE COUNCIL.

[(a) RELEVANT ACTIVITIES.—In carrying out its objectives, the Council shall—

[(1) review all Federal programs and services that assist seniors in finding, affording, and rehabilitating housing, including those that assist seniors in accessing health care, transportation, supportive services, and assistance with daily activities, where or close to where seniors live;

[(2) monitor, evaluate, and recommend improvements in existing programs and services administered, funded, or financed by Federal, State, and local agencies to assist seniors in meeting their housing and service needs and make any recommendations about how agencies can better work to house and serve seniors; and

[(3) recommend ways—

[(A) to reduce duplication among programs and services by Federal agencies that assist seniors in meeting their housing and service needs;

[(B) to ensure collaboration among and within agencies in the provision and availability of programs and services so that seniors are able to easily access needed programs and services;

[(C) to work with States to better provide housing and services to seniors by—

[(i) holding individual meetings with State representatives;

[(ii) providing ongoing technical assistance to States in better meeting the needs of seniors; and

[(iii) working with States to designate State liaisons to the Council;

[(D) to identify best practices for programs and services that assist seniors in meeting their housing and service needs, including model—

[(i) programs linking housing and services;

[(ii) financing products offered by government, quasi-government, and private sector entities;

[(iii) land use, zoning, and regulatory practices; and

[(iv) innovations in technology applications that give seniors access to information on available services;

[(E) to collect and disseminate information about seniors and the programs and services available to them to ensure that seniors can access comprehensive information;

[(F) to hold biannual meetings with stakeholders and other interested parties (or to hold open Council meetings) to receive input and ideas about how to best meet the housing and service needs of seniors;

[(G) to maintain an updated website of policies, meetings, best practices, programs, services, and any other helpful information to keep people informed of the Council's activities; and

[(H) to work with the Federal Interagency Forum on Aging Statistics, the Census Bureau, and member agencies to collect and maintain data relating to the housing and service needs of seniors so that all data can be accessed in one place and to identify and address unmet data needs.

[(b) REPORTS.—

[(1) BY MEMBERS.—Each year, the head of each agency that is a member of the Council shall prepare and transmit to the Council a report that describes—

[(A) each program and service administered by the agency that serves seniors and the number of seniors served by each program or service, the resources available in each, as well as a breakdown of where each program and service can be accessed;

[(B) the barriers and impediments, including statutory or regulatory, to the access and use of such programs and services by seniors;

[(C) the efforts made by each agency to increase opportunities for seniors to find and afford housing that meet their needs, including how the agency is working with other agencies to better coordinate programs and services; and

[(D) any new data collected by each agency relating to the housing and service needs of seniors.

[(2) BY THE COUNCIL.—Each year, the Council shall prepare and transmit to the President, the Senate Committee on Banking, Housing, and Urban Affairs, the Senate Committee on Health, Education, Labor, and Pensions, the House Financial Services Committee, and the House Committee on Education and the Workforce a report that—

[(A) summarizes the reports required in paragraph (1);

[(B) utilizes recent data to assess the nature of the problems faced by seniors in meeting their unique housing and service needs;

[(C) provides a comprehensive and detailed description of the programs and services of the Federal Government in meeting the needs and problems described in subparagraph (B);

[(D) describes the activities and accomplishments of the Council in working with Federal, State, and local governments, and private organizations in coordinating programs and services to meet the needs described in subparagraph (B) and the resources available to meet those needs;

[(E) assesses the level of Federal assistance required to meet the needs described in subparagraph (B); and

[(F) makes recommendations for appropriate legislative and administrative actions to meet the needs described in subparagraph (B) and for coordinating programs and services designed to meet those needs.

[SEC. 6. POWERS OF THE COUNCIL.

[(a) HEARINGS.—The Council may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Council considers advisable to carry out the purposes of this Act.

[(b) INFORMATION FROM AGENCIES.—Agencies which are members of the Council shall provide all requested information and data to the Council as requested.

[(c) POSTAL SERVICES.—The Council 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) GIFTS.—The Council may accept, use, and dispose of gifts or donations of services or property.

[SEC. 7. COUNCIL PERSONNEL MATTERS.

[(a) COMPENSATION OF MEMBERS.—All members of the Council 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.

[(b) TRAVEL EXPENSES.—The members of the Council 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 Council.

[(c) STAFF.—

[(1) IN GENERAL.—The Council shall, without regard to civil service laws and regulations, appoint and terminate an Executive Director and such other additional personnel as may be necessary to enable the Council to perform its duties.

[(2) EXECUTIVE DIRECTOR.—The Council shall appoint an Executive Director at its initial meeting. The Executive Director shall be compensated at a rate not to exceed the rate of pay payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

[(3) COMPENSATION.—With the approval of the Council, the Executive Director may appoint and fix the compensation of such additional personnel as necessary to carry out the duties of the Council. The rate of compensation may be set without regard to the provisions of chapter 51 and subchapter II 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 rate payable for level V of the Executive Schedule under section 5316 of such title.

[(d) TEMPORARY AND INTERMITTENT SERVICES.—In carrying out its objectives, the Council may procure temporary and intermittent services of consultants and experts under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

[(e) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the Council, any Federal Government employee may be detailed to the Council without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

[(f) ADMINISTRATIVE SUPPORT.—The Secretary of Housing Urban Development and the Secretary of Health and Human Services shall provide the Council with such administrative and supportive services as are necessary to ensure that the Council can carry out its functions.

[SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this Act, $1,500,000 for each of fiscal years 2005 through 2010.]

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Meeting the Housing and Service Needs of Seniors Act of 2005''.

SEC. 2. FINDINGS.

Congress finds the following:

(1) The senior population (persons 65 or older) in this country is rapidly growing, and is expected to increase from 34,700,000 in 2000 to nearly 40,000,000 by 2010, and then will dramatically increase to over 50,000,000 by 2020.

(2) By 2020, the population of ''older'' seniors, those over age 85, is expected to double to 7,000,000, and then double again to 14,000,000 by 2040.

(3) As the senior population increases, so does the need for additional safe, decent, affordable, and suitable housing that meets their unique needs.

(4) Due to the health care, transportation, and service needs of seniors, issues of providing suitable and affordable housing opportunities differ significantly from the housing needs of other families.

(5) Seniors need access to a wide array of housing options, such as affordable assisted living, in-home care, supportive or service-enriched housing, and retrofitted homes and apartments to allow seniors to age in place and to avoid premature placement in institutional settings.

(6) While there are many programs in place to assist seniors in finding and affording suitable housing and accessing needed services, these programs are fragmented and spread across many agencies, making it difficult for seniors to access assistance or to receive comprehensive information.

(7) Better coordination among Federal agencies is needed, as is better coordination at State and local levels, to ensure that seniors can access government activities, programs, services, and benefits in an effective and efficient manner.

(8) Up to date, accurate, and accessible statistics on key characteristics of seniors, including conditions, behaviors, and needs, are required to accurately identify the housing and service needs of seniors.

SEC. 3. DEFINITIONS.

In this Act:

(1) HOUSING.—The term ''housing'' means any form of residence, including rental housing, homeownership, assisted living, group home, supportive housing arrangement, nursing facility, or any other physical location where a person can live.

(2) SERVICE.—The term ''service'' includes transportation, health care, nursing assistance, meal, personal care and chore services, assistance with daily activities, mental health care, physical therapy, case management, and any other services needed by seniors to allow them to stay in their housing or find alternative housing that meets their needs.

(3) PROGRAM.—The term ''program'' includes any Federal or State program providing income support, health benefits or other benefits to seniors, housing assistance, mortgages, mortgage or loan insurance or guarantees, housing counseling, supportive services, assistance with daily activities, or other assistance for seniors.

(4) COUNCIL.—The term ''Council'' means the Interagency Council on Meeting the Housing and Service Needs of Seniors.

(5) SENIOR.—The term ''senior'' means any individual 65 years of age or older.

SEC. 4. INTERAGENCY COUNCIL ON MEETING THE HOUSING AND SERVICE NEEDS OF SENIORS.

(a) ESTABLISHMENT.—There is established in the executive branch an independent council to be known as the Interagency Council on Meeting the Housing and Service Needs of Seniors.

(b) OBJECTIVES.—The objectives of the Council are as follows:

(1) To promote coordination and collaboration among the Federal departments and agencies involved with housing, health care, and service needs of seniors in order to better meet the needs of senior citizens.

(2) To identify the unique housing and service needs faced by seniors around the country and to recommend ways that the Federal Government, States, State and local governments, and others can better meet those needs, including how to ensure that seniors can find and afford housing that allows them to access health care, transportation, nursing assistance, and assistance with daily activities where they live or in their communities.

(3) To facilitate the aging in place of seniors, by identifying and making available information related to the programs and services necessary to enable seniors to remain in their homes as they age.

(4) To improve coordination among the housing and service related programs and services of Federal agencies for seniors and to make recommendations about needed changes with an emphasis on—

(A) maximizing the impact of existing programs and services;

(B) reducing or eliminating areas of overlap and duplication in the provision and accessibility of such programs and services; and

(C) making access to programs and services easier for seniors around the country.

(5) To increase the efficiency and effectiveness of existing housing and service related programs and services which serve seniors.

(6) To establish an ongoing system of coordination among and within such agencies or organizations so that the housing and service needs of seniors are met in a more efficient manner.

(c) MEMBERSHIP.—The Council shall be composed of the following:

(1) The Secretary of Housing and Urban Development.

(2) The Secretary of Health and Human Services.

(3) The Secretary of Agriculture or a designee of the Secretary.

(4) The Secretary of Transportation or a designee of the Secretary.

(5) The Secretary of Labor or a designee of the Secretary.

(6) The Secretary of Veterans Affairs or a designee of the Secretary.

(7) The Secretary of the Treasury or a designee of the Secretary.

(8) The Commissioner of the Social Security Administration or a designee of the Commissioner.

(9) The Administrator of the Centers for Medicare and Medicaid Services or a designee of the Administrator.

(10) The Administrator of the Administration on Aging or a designee of the Administrator.

(11) The head (or designee) of any other Federal agency as the Council considers appropriate.

(12)(A) 3 additional members, as appointed by the President to serve terms not to exceed 4 years, of whom—

(i) one shall be a Governor of a State;

(ii) one shall be a Mayor of a political subdivision of a State;

(iii) one shall be a county, town, township, parish, village, hamlet, or other general purpose local official of a political subdivision of a State.

(B) Of the members appointed by the President under subparagraph (A)—

(i) no more than 2 members may be affiliated with the same political party; and

(ii) none shall be considered a Federal employee.

(d) CHAIRPERSON.—The Chairperson of the Council shall alternate between the Secretary of Housing and Urban Development and the Secretary of Health and Human Services every 2 years.

(e) VICE CHAIR.—Every 2 years, the Council shall elect a Vice Chair from among its members.

(f) MEETINGS.—The Council shall meet at the call of its Chairperson or a majority of its members at any time, and no less often than quarterly. The Council shall hold meetings with stakeholders and other interested parties at least twice a year, so that the opinions of such parties can be taken into account and so that outside groups can learn of the Council's activities and plans.

SEC. 5. FUNCTIONS OF THE COUNCIL.

(a) RELEVANT ACTIVITIES.—In carrying out its objectives, the Council shall—

(1) review all Federal programs and services that assist seniors in finding, affording, and rehabilitating housing, including those that assist seniors in accessing health care, transportation,

supportive services, and assistance with daily activities, where or close to where seniors live;

(2) monitor, evaluate, and recommend improvements in existing programs and services administered, funded, or financed by Federal, State, and local agencies to assist seniors in meeting their housing and service needs and make any recommendations about how agencies can better work to house and serve seniors; and

(3) recommend ways to—

(A) reduce duplication among programs and services by Federal agencies that assist seniors in meeting their housing and service needs;

(B) ensure collaboration among and within agencies in the provision and availability of programs and services so that seniors are able to easily access needed programs and services;

(C) work with States to better provide housing and services to seniors by—

(i) holding individual meetings with State representatives;

(ii) providing ongoing technical assistance to States in better meeting the needs of seniors; and

(iii) working with States to designate State liaisons to the Council;

(D) identify best practices for programs and services that assist seniors in meeting their housing and service needs, including model—

(i) programs linking housing and services;

(ii) financing products offered by government, quasi-government, and private sector entities;

(iii) land use, zoning, and regulatory practices; and

(iv) innovations in technology applications that give seniors access to information on available services or that help in providing services to seniors;

(E) collect and disseminate information about seniors and the programs and services available to them to ensure that seniors can access comprehensive information;

(F) hold biannual meetings with stakeholders and other interested parties (or to hold open Council meetings) to receive input and ideas about how to best meet the housing and service needs of seniors;

(G) maintain an updated website of policies, meetings, best practices, programs, services, and any other helpful information to keep people informed of the Council's activities; and

(H) work with the Federal Interagency Forum on Aging Statistics, the Census Bureau, and member agencies to collect and maintain data relating to the housing and service needs of seniors so that all data can be accessed in one place and to identify and address unmet data needs.

(b) REPORTS.—

(1) BY MEMBERS.—Each year, the head of each agency who is a member of the Council shall prepare and transmit to the Council a report that describes—

(A) each program and service administered by the agency that serves a substantial number of seniors and the number of seniors served by each program or service, the resources available in each, as well as a breakdown of where each program and service can be accessed;

(B) the barriers and impediments, including statutory or regulatory, to the access and use of such programs and services by seniors;

(C) the efforts made by each agency to increase opportunities for seniors to find and afford housing that meet their needs, including how the agency is working with other agencies to better coordinate programs and services; and

(D) any new data collected by each agency relating to the housing and service needs of seniors.

(2) BY THE COUNCIL.—Each year, the Council shall prepare and transmit to the President, the Committee on Banking, Housing, and Urban Affairs of the Senate, the Committee on Health, Education, Labor, and Pensions of the Senate, the Special Committee on Aging of the Senate, the Financial Services Committee of the House of Representatives, the Committee on Education and the Workforce of the House of Representatives, a report that—

(A) summarizes the reports required in paragraph (1);

(B) utilizes recent data to assess the nature of the problems faced by seniors in meeting their unique housing and service needs;

(C) provides a comprehensive and detailed description of the programs and services of the Federal Government in meeting the needs and problems described in subparagraph (B);

(D) describes the activities and accomplishments of the Council in working with Federal, State, and local governments, and private organizations in coordinating programs and services to meet the needs described in subparagraph (B) and the resources available to meet those needs;

(E) assesses the level of Federal assistance required to meet the needs described in subparagraph (B); and

(F) makes recommendations for appropriate legislative and administrative actions to meet the needs described in subparagraph (B) and for coordinating programs and services designed to meet those needs.

SEC. 6. POWERS OF THE COUNCIL.

(a) HEARINGS.—The Council may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the Council considers advisable to carry out the purposes of this Act.

(b) INFORMATION FROM AGENCIES.—Agencies which are represented on the Council shall provide all requested information and data to the Council as requested.

(c) POSTAL SERVICES.—The Council 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) GIFTS.—

(1) IN GENERAL.—The Council may accept, use, and dispose of gifts or donations of services or property.

(2) REGULATIONS REQUIRED.—The Council shall adopt internal regulations governing the receipt of gifts or donations of services or property similar to those described in part 2601 of title 5, Code of Federal Regulations.

SEC. 7. COUNCIL PERSONNEL MATTERS.

(a) COMPENSATION OF MEMBERS.—

(1) NON-FEDERAL EMPLOYEES.—A member of the Council who is not an officer or employee of the Federal Government shall serve without compensation.

(2) FEDERAL EMPLOYEES.—A member of the Council who is an officer or employee of the United States shall serve without compensation in addition to the compensation received for services of the member as an officer or employee of the Federal Government.

(b) TRAVEL EXPENSES.—The members of the Council 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 Council.

(c) STAFF.—

(1) EXECUTIVE DIRECTOR.—The Council shall appoint an Executive Director at its initial meeting. The Executive Director shall be compensated at a rate not to exceed the rate of pay payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) COMPENSATION.—With the approval of the Council, the Executive Director may appoint and fix the compensation of such additional personnel as necessary to carry out the duties of the Council. The rate of compensation may be set without regard to the provisions of chapter 51 and subchapter II 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 rate payable for level V of the Executive Schedule under section 5316 of such title.

(d) TEMPORARY AND INTERMITTENT SERVICES.—In carrying out its objectives, the Council may procure temporary and intermittent services of consultants and experts under section 3109(b) of title 5, United States Code, at rates for individuals which do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of such title.

(e) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the Council, any Federal Government employee may be detailed to the Council without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(f) ADMINISTRATIVE SUPPORT.—The Secretary of Housing Urban Development and the Secretary of Health and Human Services shall provide the Council with such administrative (including office space), supportive services, and technical supports as are necessary to ensure that the Council can carry out its functions.

SEC. 8. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this Act, $1,500,000 for each of fiscal years 2005 through 2010.

Mr. SARBANES. Mr. President, I rise today to urge my colleagues to support passage of S. 705, legislation to establish an Interagency Council on Meeting the Housing and Service Needs of Seniors. This legislation will help the Federal Government work with its partners to meet the growing housing and related needs of senior citizens around the country. The Interagency Council will work to better coordinate Federal programs so that seniors and their families can access the programs and the services necessary to allow them to age in place or find suitable housing alternatives.

The challenges that confront us are growing more urgent as our population ages. Data from the 2000 census show that the population over 65 years of age was 34.7 million. This number is expected to grow to over 50 million by 2020. It is projected that by 2030 nearly 20 percent of our population will be over 65. That is, almost one American in every five will be elderly.

As our senior population continues to increase, so will the demand for affordable housing and service options. This is a matter of concern not only for those who will need the services but for families—children along with spouses. It concerns communities all around the country, as productive and responsible citizens grow older and need help. It is a matter of deep concern for us all, because it will affect the well-being of our entire society.

In order for seniors to age in place, or find alternative housing arrangements, services must be linked with housing. Seniors must be able to access needed health supports, transportation, meal and chore services, and assistance with daily tasks in or close to their homes. Without needed supports, seniors and their families face difficult and even daunting decisions.

The Commission on Affordable Housing and Health Facility Needs for Seniors—''Seniors Commission''—established by Congress in 1999 found that too often, seniors face premature institutionalization because housing and services are not linked. According to the Commission's report, ''the very

heart'' of its work ''is the recognition that the housing and service needs of seniors traditionally have been addressed in different 'worlds' that often fail to recognize or communicate with each other.'' The Commission concluded that: ''the most striking characteristic of seniors'' housing and health care in this country is the disconnection of one field from another.''

If left unattended, the problem of lack of coordination will increasingly undermine all of our efforts to assure that Americans, as they age, have access to the services they need. The Interagency Council on the Housing and Service Needs of Seniors will increase coordination and will serve as a permanent national platform to address the needs and issues of our aging population.

The Interagency Council will help to improve collaboration and coordination among the Federal agencies and our State and local partners, to ensure that seniors are better able to access housing and services. This Council will work to find new ways to link housing programs and needed supportive services to increase their efficiency, to make them more accessible, and to strengthen their capacity.

The decisions that our seniors and their families must make are difficult enough. They should not be made more painful and burdensome by having to negotiate a confusing maze of programs and services and a multiplicity of administrative procedures. I am hopeful that the Interagency Council on Meeting the Housing and Service Needs of Seniors will be able to focus attention on this problem, while working towards solutions.

This bill has wide support from a diverse array of groups, ranging from senior advocates to faith-based organizations and direct service providers. The diversity of groups that have worked together in support of this legislation is indicative of the great need for such coordination. If we are to successfully address the growing needs of seniors, it is clear that much work must be done. The establishment of an Interagency Council on Meeting the Housing and Service Needs of Seniors is a critical first step in this endeavor. I urge my colleagues to vote in favor of this important legislation. I ask unanimous consent that the legislation as reported from Committee be printed immediately following this statement. I also ask unanimous consent that the attached letters of support, section-by-section analysis of the bill, and relevant fact sheet be printed in the RECORD.

The PRESIDING OFFICER. Without objection it is so ordered.

(See exhibit 1.)

Mr. SARBANES. Finally, I want to thank Chairman SHELBY for his leadership and assistance in moving this legislation. I also want to acknowledge the excellent work of the staff on this bill, especially that of Jennifer Fogel-Bublick, as well as Sarah Garrett, Mark Calabria, and Tewana Wilkerson. In addition, we could not have done this without the active support of Kathy Casey, Chairman SHELBY's Staff Director.

EXHIBIT 1

AARP,
Washington, DC, April 15, 2005.

Hon. PAUL SARBANES,
Dirksen Senate Office Building,
Washington, DC.

DEAR SENATOR SARBANES: On behalf of AARP, thank you for introducing S. 705, the ''Meeting the Housing and Service Needs of Seniors Act of 2005,'' a bill to establish an Interagency Council to improve coordination in service delivery. As proposed, the Interagency Council would not only coordinate, but also monitor, evaluate, and recommend improvements in existing programs and services that assist seniors in meeting their housing and service needs at the federal, state, and local level. And, the Council would collect and disseminate information about seniors along with these programs and services.

Better coordination of housing programs is needed for a variety of reasons. In many instances, multiple program requirements and paperwork may become duplicative and burdensome. Resident means testing and qualifications may also be slightly different across programs. And, different methods of establishing rent levels and defining market areas for comparison are used by different programs. Lastly, different housing sponsors and agencies may have different waiting lists that can overlap for a population at need.

The need for greater coordination is particularly apparent when trying to put together the housing, health, and social services programs at all levels of government that are critical to successfully serving persons with disabilities of all ages. Research has shown that federal housing programs have very efficiently, if inadvertently, targeted those who are at high risk of needing supportive services to remain independent. Analysis by AARP's Public Policy Institute of data from the 2002 American Communities Survey found that, compared to older homeowners, older renters in subsidized housing were:

Much older—half of the older renters in subsidized housing were 75 or older compared to just over a third of older homeowners;

Twice as likely to experience physical and cognitive limitations that threaten their ability to live independently;

More than three times as likely to live alone and have weak informal supports from family; and

Roughly three times as likely to be at high risk of needing Medicaid assistance due to low incomes and high levels of disability.

Better coordination of housing, health, and social services programs would serve a variety of purposes. Housing managers need reliable partners from health and social services agencies to serve the large and growing number of frail older people in their buildings. Social services agencies could benefit from the greater efficiencies of serving concentrations of older people with supportive services needs. But the most compelling case for better coordination comes from the lives of the older people who need assistance—the older woman who is desperately clinging to independence in her apartment; the older man who is told he must move to a nursing home to get needed services; or the older resident in a nursing home who might have been able to leave if suitable housing and services were available.

AARP actively participated in the Seniors Housing Commission whose 2002 report called attention to many of these issues. We have supported efforts to expand the mission of housing programs and to provide the needed tools for serving older persons with disabilities through building features that accommodate service needs, staffing that includes trained service coordinators, and retrofitting dollars to convert buildings to assisted living. AARP is co-chairing a process, along with the National Cooperative Bank Development Corporation, Fannie Mae, and the National Council of State Housing Finance Agencies, to develop recommendations on how housing finance programs could be better structured to promote affordable assisted living. While these efforts have been important, they do not yet approach the scale of what is needed to serve the frail older people who need help. Only a concerted effort by all agencies at all levels of government can adequately address these needs.

We urge Congress and the Administration to work together to expedite the passage of this legislation and subsequent establishment of the Interagency Council. AARP again thanks you for your attention to the needs of American seniors, and stands ready to assist you to enact this important legislation. If you have any further questions, feel free to contact me, or have your staff contact Tim Gearan of our Federal Affairs staff.

Sincerely,

DAVID CERTNER,
Director, Federal Affairs.

ELDERLY HOUSING COALITION,
April 5, 2005.

Re support for Interagency Council on Housing and Service Needs of Seniors.

Hon. PAUL SARBANES,
Committee on Banking, Housing and Urban Affairs Committee, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR SARBANES, The Elderly Housing Coalition (EHC) is comprised of organizations that represent providers of affordable housing and supportive service for the elderly. We are writing in enthusiastic support of your legislation that would establish the Interagency Council on Housing and Service Needs of Seniors. This Council is desperately needed and will help federal, state and local governments better serve the housing and service needs of our elderly population.

According to the Congressional Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century, we must integrate our current fragmented system of programs that seniors rely on to find the housing and services they need. As the number of seniors grows exponentially and will, in fact, have doubled by 2030, we must find a way to use our resources more effectively.

Your bill will be a great first step to bringing the key governmental agencies together to identify how they can best work to maximize program efficiency and streamline access. Again, we are pleased to offer our support for this legislation establishing an interagency council and thank you for your leadership on this issue.

If there is anything that the Elderly Housing Coalition can do to help or if you have any questions about the EHC please contact Nancy Libson or Alayna Waldrum.

Sincerely,

Alliance for Retired Americans, American Association of Homes and Services for the Aging, American Association of Service Coordinators, Association of Jewish Aging Services of North America, B'nai B'rith International, Catholic Charities USA, Catholic Health Association of the United States, Council of Large Public Housing Authorities,

Elderly Housing Development and Operations Corporation.

Kinship Caregiver Resources/Intergenerational Village Project, Local Initiatives Support Corporation, National Association of Housing Cooperatives, National Association of Housing and Redevelopment Officials, National Housing Conference, National Low Income Housing Coalition, National PACE Association, Stewards of Affordable Housing for the Future, Volunteers of America.

AMERICAN ASSOCIATION OF SERVICE COORDINATORS,
Columbus, OH, April 5, 2005.

Hon. PAUL SARBANES,
Washington, DC.

DEAR SENATOR SARBANES: On behalf of the 1,600 members of the American Association of Service Coordinators (AASC), I want to express our support for your proposed legislation to establish an Interagency Council on Housing and Service Needs of Seniors. AASC believes that this bill is urgently needed to assist service coordinators and others seeking to bring together the various federal and other programs needed by older persons and other special populations.

In my testimony, before the Commission on Affordable Housing and Health Facility describing the present fragmented system, I stated that ''even for long-time professionals, the current 'crazy-quilt' tapestry of services and shelter options make it difficult to fully grasp their complexities, let alone try to access them. The results are confusion among consumers, duplication of service delivery, government agencies not knowing who supplies what service or that some services even exist, reduction in qualified service workers, regulations that impede dedicated service providers from providing the service they were hired and want to perform.''

One of AASC recommendations to the Commission was the establishment of a cabinet-level department that would encompass in one entity housing, health care and other federal support programs serving the elderly to better focus federal policy and regulatory efforts, in conjunction with states and communities. AASC believes that your bill is an important step to establish a permanent national platform to address many of the cross-cutting needs and issues confronting increasing numbers of frail and vulnerable older persons.

As you may know, AASC is a national, nonprofit organization representing professional service coordinators who serve low-income older persons and other special populations living in federally assisted and public housing facilities nationwide, their caregivers, and others in their local community. Our dedicated membership consists of service coordinators, case managers and social workers, housing managers and administrators, housing management companies, public housing authorities, state housing finance agencies, state and local area agencies on aging and a broad range of national and state organizations and professionals involved in affordable, service-enhanced housing. Background information on AASC is available on our website: www.servicercoordinators.org.

We are grateful for your leadership on the vital issue. Please let me know how AASC can assist you to expedite enactment of this important legislation.

Sincerely,

JANICE MONKS,
President.

AMERICAN ASSOCIATION OF HOMES AND SERVICES FOR THE AGING,
Washington, DC, April 5, 2005.

Re Interagency Council on Housing and Service Needs of Seniors legislation.

Hon. PAUL SARBANES,
Committee on Banking, Housing and Urban Affairs Committee, U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR SARBANES: On behalf of AAHSA, I am writing to thank you for introducing legislation to establish an Interagency Council on Housing and Service Needs of Seniors. AAHSA members serve two million people every day through mission-driven, not-for-profit organizations dedicated to providing the services people need, when they need them, in the place they call home. Our members offer the continuum of aging services: assisted living residences, continuing care retirement communities, nursing homes, senior housing facilities, and outreach services. AAHSA's mission is to create the future of aging services through quality the public can trust.

Half of our members own or operate federally subsidized senior apartment buildings and work collaboratively with home and community based service providers that operate programs governed by a maze of departmental regulations. This unique perspective gives us and our members a bird's eye view of how important it is for the various federal agencies to work together to ensure the best care in the most responsive and efficient manner possible.

In 2002 the Commission on Affordable Housing and Health Facility Needs for Seniors in the 21st Century reported to Congress that a top priority for the federal government should be integrating the existing fragmented system of programs that seniors rely on to piece together the housing and services they need. Time is precious—the United States is facing exponential growth in our senior population, which will double by 2030. AAHSA members have created a number of successful models for combining services and senior housing. Unfortunately these are limited and difficult to replicate because of the programmatic barriers. Now is the time to get the policymakers to the table to address the barriers and opportunities that exist in our federal programs and how to make them work.

We know that this can be done. AAHSA strongly supports your bill, which will help the Executive branch and Federal agencies better coordinate the successful aging programs, as an important first step. Thank you for your leadership. If there is anything that AAHSA or my staff can do to support you, please do not hesitate to let me know.

Sincerely,

LARRY MINNIX,
President and CEO.

UNITED JEWISH COMMUNITIES,
Washington, DC, May 12, 2005.

Hon. PAUL SARBANES,
U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR SENATOR SARBANES: On behalf of United Jewish Communities, I am pleased to offer our support for your efforts to establish an Interagency Council on Housing and Service Needs for Seniors through your introduction of S. 705, the Meeting the Housing and Service Needs of Seniors Act of 2005. As proposed, the executive level Interagency Council will provide crucial coordination of housing, health and social services for seniors. The Interagency Council will also make possible greater cooperation between the federal agencies involved with these programs, including HUD, HHS, DOT and AOA.

As you may know, UJC represents and serves 155 Jewish Federations and 400 independent Jewish communities across North America—one of the world's largest and most effective networks of social service providers and programs, meeting the needs of all people, Jews and non-Jews, wherever they live. More importantly, the American Jewish population is aging faster than the general population. More than a million Jews are over 65; more than 318,000 live alone. Federation-supported programs, transportation assistance, home-delivered meals and a myriad of other services help ensure that our seniors are cared for with dignity and loving-kindness. It is critical that we maximize program efficiency and streamline access.

United Jewish Communities strongly supports your bill, which will better help key governmental agencies coordinate aging programs. We urge Congress and the Administration to work together to pass this legislation. Thank you for your leadership on this initiative. If there is anything that UJC can do to be of further assistance, please do not hesitate to let us know.

Sincerely,

STEPHAN O. KLINE,
Director, Government Affairs.

THE ENTERPRISE FOUNDATION,
Columbia, MD, May 20, 2005.

Hon. PAUL S. SARBANES,
Ranking Member, Senate Committee on Banking, Housing and Urban Affairs, Hart Senate Office Building, Washington, DC.

DEAR SENATOR SARBANES: The Enterprise Foundation strongly supports your bill to establish an Interagency Council on Housing and Service Needs of Seniors (S. 705). Developing effective and efficient coordination among the various federal agencies that are involved in providing housing, health care and supportive services to seniors is critical to meeting the needs of elderly low-income Americans and their families.

The Enterprise Foundation and our subsidiary organization, the Enterprise Social Investment Corporation, certainly recognize that providing decent, affordable housing for low-income seniors requires effective linkages between housing and services to enable seniors to remain in their homes and communities. To date, ESIC has completed 212 elderly housing projects, representing an invetment of more than $729 million. Of the 68,727 affordable housing units ESIC has produced, 20,005 include support services for elderly and disabled residents as well as families.

In recognition of the need for collaboration, The Foundation, ESIC and the Corporation for Supportive Housing have recently embarked on a new Supportive Housing Investment Partnership that is the nation's largest, most ambitious initiative focused on leveraging private capital investments to significantly increase the production of supportive housing across the country. This partnership will enable nonprofit developers to build more than 3,000 new supportive housing units over the next two years. This partnership is designed to expand the impact of all of the partners, to be flexible in adapting to local needs and environments, and also to support the established relationships and the significant efforts to date of each partner.

Similar collaboration at the federal level among and within agencies providing programs and services for seniors would maximize the impact of . . . seniors receive the assistance they need.

The Enterprise Foundation commends you for your leadership on this and other housing issues and urges Congress to expedite the passage of this critical legislation. Please

call upon us if we can provide additional information or assistance.,

Sincerely,

F. BARTON HARVEY III,
Chairman of the Board and Chief Executive Officer.

ELDERLY HOUSING DEVELOPMENT & OPERATIONS CORPORATION,
Fort Lauderdale, FL, April 15, 2005.

Hon. PAUL SARBANES,
U.S. Senate,
Washington, DC.

DEAR SENATOR SARBANES: I am pleased that Elderly Housing Development and Operations Corporation (EHDOC) representing over 40 senior housing facilities in 14 states, is joining with other non-profit organizations involved with federally assisted senior housing to strongly support your bill to establish an Interagency Council on Housing and Service Needs of Seniors. We believe that the establishment of this Interagency Council will provide a cost-effective and efficient means to promote coordination between the various federal agencies involved with senior housing and services, particularly HUD and HHS.

EHDOC is well aware of the need to improve collaboration between the various federal agencies based on our efforts to assist low-income, frail elderly in Council House in Suitland, MD. Unfortunately, it is often difficult to link the various services needed to enable many frail elderly to remain in their homes as they age due to the existing fragmentation of federal housing, services and health care policies and programs.

The difficulty experienced by EHDOC with linking housing and services is repeated by many nonprofit sponsors of federally assisted senior housing throughout the country. As you know, I was honored to serve as your appointee to the recent Commission on Affordable Housing and Health Care Facilities Needs of Older Persons. We repeatedly heard testimony from public and private agencies involved with senior housing, supportive services and health care, older persons and others, of their difficulties in bringing together these services to meet the needs of older persons.

As stated in the Senior Commissions' final report, ''the very heart of this Commission's work is the recognition that the housing and service needs of seniors traditionally have been addressed in different 'worlds' that often fail to recognize or communicate with each other.'' Findings of the Commission concluded ''while policymakers have struggled to be responsive to the needs of seniors, the very structure of Congressional committees and Federal agencies often makes it difficult to address complex needs in a comprehensive and coordinated fashion. For example: medical needs of seniors are addressed by Medicare and Medicaid; social service needs are addressed by Medicaid, the OAA, and other block grant programs; housing programs are administered by HUD and the Department of Agriculture's RHS; and transportation programs are administered by the U.S. Department of Trsportation (DOT).''

We commend you for your leadership in addressing this critical need to effectively bring together the various federal agencies and others involved with affordable housing and service needs of older persons through the establishment of an Interagency Council on Senior Housing. Please let me if you have any questions or how EHDOC can assist you with the enactment of this important legislation.

Sincerely,

STEVE PROTULIS,
Executive Director.

S. 705—SECTION-BY-SECTION ANALYSIS

Section 1. Short title

This section establishes the title of the bill, the ''Meeting the Housing and Service Needs of Seniors Act of 2005''

Section 2. Congressional findings

This section states Congressional Findings, including:

(1) The senior population (persons 65 or older) in this country is rapidly growing, and is expected to increase from 34,700,000 in 2000 to nearly 40,000,000 by 2010, and then will dramatically increase to over 50,000,000 by 2020.

(2) Seniors need access to a wide array of housing options, such as affordable assisted living, in home care, supportive or service-enriched housing, and retrofitted homes and apartments to allow seniors to age in place and to avoid premature placement in institutional settings.

(3) While there are many programs in place to assist seniors in finding and affording suitable housing and accessing needed services, these programs are fragmented and spread across many agencies, making it difficult for seniors to access assistance or to receive comprehensive information.

(4) Better coordination among Federal agencies is needed, as is better coordination at State and local levels, to ensure that seniors can access government activities, programs, services, and benefits in an effective and efficient manner.

Section 3. Definitions

This section provides definitions of the following terms: ''housing,'' ''service,'' ''program,'' ''Council,'' and ''senior.''

Section 4. Interagency Council on Meeting the Housing and Service Needs of Seniors

This section establishes a high level executive branch Interagency Council on Meeting the Housing and Service Needs of Seniors.

This section also lays out the objectives of the Council, including promoting coordination and collaboration among the federal agencies and departments which serve seniors; identifying housing and service needs of seniors; facilitating the aging in place of seniors; and making recommendations about needed changes to maximize the impact of existing programs, reduce duplication and increase access to programs and services.

This section details the Council membership—the Secretaries of HUD and HHS, as well as the Secretaries or designees of the Department of Agriculture, Labor, Transportation, Veterans Affairs, and the Treasury. Also serving on the Council will be the following (or their designees): the Commissioner of the Social Security Administration, the Administrator of the Centers for Medicare and Medicaid Services and the Administrator of the Administration on Aging. The Council will also have three additional members- a Governor, a Mayor and a local official, as appointed by the President. This section establishes that the Secretaries of HUD and HHS will chair the Council in rotating 2-year terms. Under this section, the Council is required to meet quarterly, and must hold at least 2 meetings a year with stakeholders and interested parties. This requirement can be met by opening at least two of the quarterly meetings to the public.

Section 5. Functions of the council

This section lists the activities that the Council will undertake in meeting its objectives. In meeting its objectives, the Council will: review all federal programs and services that assist seniors; monitor, evaluate and recommend improvements in existing programs, and how programs can be better coordinated; recommend ways to reduce duplication and ensure greater collaboration; work to facilitate the aging in place of seniors; work with states to ensure programs and services are coordinated at state and local levels; identify best practices for meeting the needs of seniors; ensure seniors have access to information about programs and services, including the establishment of a website; and maintain updated data sources on seniors and their needs.

This section also requires that each agency or department that is a member of the Council provide a report to the Council that describes: each program in the agency or department that serves a substantial number of seniors; any barriers to the access and use of such programs; the efforts made by the agency in increasing service enriched housing opportunities for seniors; and any new data relating to housing and service needs of seniors.

Based on the information provided by each member agency, the Council is required to prepare and transmit a report to Congress and the President that summarizes the agency information; assesses the needs of seniors; provides a comprehensive description of the programs and services that exist for seniors; describes how the agencies and Council are working with state and local governments and private organizations to better coordinate senior programs; and makes recommendations for legislative and administrative changes needed to better meet the needs of seniors.

Section 6. Powers of the council

This section details how the Council will work, including granting the Council the power to hold hearings and take testimony as needed. In addition, this section provides that member agencies must provide the Council with all requested information. This section also requires the Council to adopt internal ethics guidelines.

Section 7. Council personnel matters

This section clarifies that Council members shall not be compensated for their service on the Council. Under this section, the Council must appoint an Executive Director at its initial meeting, and the Executive Director, with the approval of the Council may hire staff.

This section also requires the Secretaries of the U.S. Department of Housing and Urban Development and the U.S. Department of Health and Human Services to provide all necessary administrative support including office space and computer/internet access.

Section 8. Authorization of appropriations

This section authorizes $1.5 million per year for 5 years for the Council.

SUMMARY OF LEGISLATION TO ESTABLISH AN INTERAGENCY COUNCIL ON MEETING THE HOUSING AND SERVICE NEEDS OF SENIORS

This legislation will create an executive level Interagency Council to better coordinate housing programs and related services so that senior citizens can age in place and access needed services. Unfortunately, the current programs and services that assist the elderly in meeting their needs are spread across numerous federal agencies, making it difficult for seniors to understand and access needed services.

The senior population (persons 65 or older) in this country is rapidly growing, and is expected to increase from 34.7 million in 2000 to nearly 40 million by 2010, and then will dramatically increase to over 50 million by 2020. By the year 2030, nearly one-fifth of the United States population will be above 65 years of age. As the senior population increases, so does the need for additional safe, decent, affordable, and suitable housing that meets their unique needs.

The Council will undertake a number of activities to help coordinate housing programs and services for seniors:

Conduct a thorough review of all federal programs and services designed to assist seniors with their housing needs

Facilitate the ''aging in place'' of seniors

Make recommendations about how to reduce duplication among programs and how to more effectively coordinate programs and services

Collect and disseminate data and information on seniors and their needs

Maintain an updated website with information on how seniors can access housing and services that fit their needs

Work with States to coordinate programs and services at the State and local level

Implement the recommendation of the 1999 Congressionally established Seniors Commission that the federal government streamline and consolidate its programs and services for seniors

This Interagency Council will be comprised of the Secretaries (or designees) of the agencies which operate programs for seniors: HUD, HHS, DOT, Agriculture, Treasury, Labor, Veterans Affairs, as well as the Commissioner of the Social Security Administration, the Administrator of the Centers for Medicare and Medicaid Services and the Administrator of the Administration on Aging.

The legislation authorizes $1.5 million per year for 5 years to pay for staff and other expenses. .

The legislation is supported by many organizations involved in housing and services for seniors, including: AARP (American Association of Retired Persons), NAHRO (the National Association of Housing and Redevelopment Officials), AAHSA (American Association of Homes and Services for the Aging), the Elderly Housing Coalition, and the National Low Income Housing Coalition.

AGING NEEDS IN THE UNITED STATES

Our Nation's Senior Population is Rapidly Growing, and Americans are Living Longer Than Ever Before.

The senior population (age 65 and older) is expected to double by 2030, from 36 million to 70 million, one-fifth of the Nation's population.

By 2050 there will be over 86 million seniors, an increase of 147% since 2000.

The average American life expectancy is anticipated to increase from 76 to 81 by 2060.

By 2020 the number of seniors over age 85 is expected to double to 7 million and then double again to 14 million by 2040.

Seniors Want to Age in Place.

82% of Americans age 45 and older say that even if they need help caring for themselves, they prefer receiving services that allow them to stay in their current home.

89% of those 55 and older desire to age in place, up from 84% in 1992.

To Facilitate Aging in Place, Services Must Be Connected to Housing.

While many seniors want to remain at home, over 18% of seniors (over 5.8 million) who do not reside in nursing facilities have difficulty performing their daily activities without assistance, and over one million of these seniors are severely impaired, requiring assistance with many of their basic tasks.

Many other seniors, those that can perform their daily functions, still require access to health care, transportation and other services.

In fact, nearly 20% of seniors have significant long-term care needs.

It is predicted that both shrinking family size and increasing workforce participation by women could make informal care less available (women currently provide the majority of such care), leading to a greater reliance on care from other sources.

In 2005, $129 billion will be spent on paid care for seniors; roughly $15,000 per senior.

To pay for long-term care, many seniors rely on government funding—Medicaid (39%) and Medicare (20%), while 36% of seniors pay out-of-pocket expenses.

Today, approximately one-third of all Medicaid spending pays for long-term care, making Medicaid our Nation's largest source of payment for such services and supports.

Medicaid spent a total of $83.8 billion for long-term care services in 2003.

Of those over age 85, roughly 55% are impaired and require long-term care.

A Florida study showed that more than 34% of seniors in government-assisted housing have no family to turn to if sick or disabled.

Many Seniors Are Not in a Financial Position to Pay for the Housing and/or Services They Need.

There are nearly six times as many seniors in need of affordable housing as are currently served in rent-assisted housing.

81% of seniors are homeowners, but: 44% of those have incomes of less than 50% of Area Median Income; 40% have no savings; 26% have less than $25,000 saved.

35% of senior renters are severely rent burdened and pay more than 50% of their income for rent.

The median income of older persons in 2002 was $19,436 for males and $11,406 for females.

In home support services are expensive and can cost from $140–$200 per day, or up to $73,000 per year.

Roughly one-third of seniors who enter a nursing home are eligible for Medicaid upon admission; another third deplete their assets paying for care and then turn to Medicaid to pay for the portion of care that exceeds their income.

Nuring Homes: Without services, seniors find it difficult to remain outside of nursing homes or other institutional settings.

One third of seniors leave their homes to go to nursing homes.

Nursing home costs average $60,000 per year; these costs are expected to rise at least 5% annually.

Almost 20% of seniors over age 85 live in nursing homes, compared with less than 2% of seniors age 65–84.

65% of nursing home admissions are directly from hospitals, giving families little time to explore other options.

The Congressionally established Seniors Commission found in their 2002 report that the unsynchronized federal housing and health policies often lead to premature institutionalization.

Assisted Living Facilities: Many seniors could be well served in assisted living facilities, an immediate step between aging in place and nursing homes.

Assisted living is the fastest growing type of senior housing in the United States, accounting for roughly 75% of all new senior housing produced in recent years.

The typical assisted living resident is a widowed White woman, age 85.

Roughly 50% of assisted living residents have Alzheimer's disease or other cognitive impairment.

In 2002, over 36,000 assisted living facilities served approximately 910,000 residents.

Assisted living costs between $2,100 and $2,900 a month, and is primarily private pay. Few people have private insurance coverage, and public subsidies are limited.

In 2002, 41 states provided at least some Medicaid coverage for assisted living (serving about 102,000 elderly Medicaid beneficiaries), but this covered personal care services, not room and board.

Programs and Services for Seniors are Fragmented: Regardless of where seniors live, it is clear that housing and services must be linked.

The 1999 Congressionally established Seniors Commission found that ''the most striking characteristic of seniors' housing and health care in this country is the disconnection of one field from another.''

The Seniors Commission also found that ''the time has come for coordination among Federal and State agencies and administrators.''

What these facts illustrate is that there is tremendous stress on seniors and on their families to find, maintain and afford housing; to acquire and pay for personal care assistance or long term care; and to access other needed services that can keep them independent and enable them to stay connected to their communities and age in place.

Senator Sarbanes has introduced an Interagency Council on Meeting the Housing and Service Needs of Seniors, to better coordinate housing programs and related services so that seniors can age in place and access needed services.

Mr. GRASSLEY. I ask unanimous consent that the committee-reported amendment be agreed to, the bill as amended be read a third time and passed, the motion to reconsider be laid on the table, and any statements be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The committee amendment in the nature of a substitute was agreed to.

The bill (S. 705), as amended, was read the third time and passed.

UNANIMOUS CONSENT AGREEMENT—H.J. RES. 72

Mr. FRIST. Mr. President, I ask unanimous consent that when the Senate proceeds to H.J. Res. 72 on Friday, that Senator HARKIN be recognized in order to offer an amendment related to CSBG, which is at the desk. I further ask consent that there be 20 minutes for debate in relation to the amendment, no other amendments be in order, and that following that debate the Senate proceed to a vote in relation to the Harkin amendment; further, that following that vote, the joint resolution be read a third time and the Senate proceed to a vote on the joint resolution, with no intervening action or debate.

The PRESIDING OFFICER. Without objection, it is so ordered.

WIRED FOR HEALTH CARE QUALITY ACT

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 178, S. 1418.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1418) to enhance the adoption of a nationwide interoperable health information technology system and to improve the quality and reduce the costs of health care in the United States.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Health, Education, Labor, and Pensions, with an amendment.

(Strike the part shown in black brackets and insert the part shown in italic.)

S. 1418

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 ''Wired for Health Care Quality Act''.

[SEC. 2. IMPROVING HEALTH CARE, QUALITY, SAFETY, AND EFFICIENCY.

[The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by adding at the end the following:

''TITLE XXIX—HEALTH INFORMATION TECHNOLOGY

[''SEC. 2901. DEFINITIONS.

[''In this title:

[''(1) HEALTH CARE PROVIDER.—The term 'health care provider' means a hospital, skilled nursing facility, home health entity, health care clinic, federally qualified health center, group practice (as defined in section 1877(h)(4) of the Social Security Act), a pharmacist, a pharmacy, a laboratory, a physician (as defined in section 1861(r) of the Social Security Act), a health facility operated by or pursuant to a contract with the Indian Health Service, a rural health clinic, and any other category of facility or clinician determined appropriate by the Secretary.

[''(2) HEALTH INFORMATION.—The term 'health information' has the meaning given such term in section 1171(4) of the Social Security Act.

[''(3) HEALTH INSURANCE PLAN.—The term 'health insurance plan' means—

[''(A) a health insurance issuer (as defined in section 2791(b)(2));

[''(B) a group health plan (as defined in section 2791(a)(1)); and

[''(C) a health maintenance organization (as defined in section 2791(b)(3)).

[''(4) LABORATORY.—The term 'laboratory' has the meaning given that term in section 353.

[''(5) PHARMACIST.—The term 'pharmacist' has the meaning given that term in section 804 of the Federal Food, Drug, and Cosmetic Act.

[''(6) QUALIFIED HEALTH INFORMATION TECHNOLOGY.—The term 'qualified health information technology' means a computerized system (including hardware, software, and training) that—

[''(A) protects the privacy and security of health information;

[''(B) maintains and provides permitted access to health information in an electronic format;

[''(C) incorporates decision support to reduce medical errors and enhance health care quality;

[''(D) complies with the standards adopted by the Federal Government under section 2903; and

[''(E) allows for the reporting of quality measures under section 2908.

[''(7) STATE.—The term 'State' means each of the several States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

[''SEC. 2902. OFFICE OF THE NATIONAL COORDINATOR OF HEALTH INFORMATION TECHNOLOGY.

[''(a) OFFICE OF NATIONAL HEALTH INFORMATION TECHNOLOGY.—There is established within the Office of the Secretary an Office of the National Coordinator of Health Information Technology (referred to in this section as the 'Office'). The Office shall be headed by a National Coordinator who shall be appointed by the President, in consultation with the Secretary, and shall report directly to the Secretary.

[''(b) PURPOSE.—It shall be the purpose of the Office to carry out programs and activities to develop a nationwide interoperable health information technology infrastructure that—

[''(1) ensures that patients' health information is secure and protected;

[''(2) improves health care quality, reduces medical errors, and advances the delivery of patient-centered medical care;

[''(3) reduces health care costs resulting from inefficiency, medical errors, inappropriate care, and incomplete information;

[''(4) ensures that appropriate information to help guide medical decisions is available at the time and place of care;

[''(5) promotes a more effective marketplace, greater competition, and increased choice through the wider availability of accurate information on health care costs, quality, and outcomes;

[''(6) improves the coordination of care and information among hospitals, laboratories, physician offices, and other entities through an effective infrastructure for the secure and authorized exchange of health care information;

[''(7) improves public health reporting and facilitates the early identification and rapid response to public health threats and emergencies, including bioterror events and infectious disease outbreaks;

[''(8) facilitates health research; and

[''(9) promotes prevention of chronic diseases.

[''(c) DUTIES OF THE NATIONAL COORDINATOR.—The National Coordinator shall—

[''(1) serve as a member of the public-private American Health Information Collaborative established under section 2903;

[''(2) serve as the principal advisor to the Secretary concerning the development, application, and use of health information technology, and coordinate and oversee the health information technology programs of the Department;

[''(3) facilitate the adoption of a nationwide, interoperable system for the electronic exchange of health information;

[''(4) ensure the adoption and implementation of standards for the electronic exchange of health information to reduce cost and improve health care quality;

[''(5) ensure that health information technology policy and programs of the Department are coordinated with those of relevant executive branch agencies (including Federal commissions) with a goal of avoiding duplication of efforts and of helping to ensure that each agency undertakes health information technology activities primarily within the areas of its greatest expertise and technical capability;

[''(6) to the extent permitted by law, coordinate outreach and consultation by the relevant executive branch agencies (including Federal commissions) with public and private parties of interest, including consumers, payers, employers, hospitals and other health care providers, physicians, community health centers, laboratories, vendors and other stakeholders;

[''(7) advise the President regarding specific Federal health information technology programs; and

[''(8) submit the reports described under section 2903(i) (excluding paragraph (4) of such section).

[''(d) DETAIL OF FEDERAL EMPLOYEES.—

[''(1) IN GENERAL.—Upon the request of the National Coordinator, the head of any Federal agency is authorized to detail, with or without reimbursement from the Office, any of the personnel of such agency to the Office to assist it in carrying out its duties under this section.

[''(2) EFFECT OF DETAIL.—Any detail of personnel under paragraph (1) shall—

[''(A) not interrupt or otherwise affect the civil service status or privileges of the Federal employee; and

[''(B) be in addition to any other staff of the Department employed by the National Coordinator.

[''(3) ACCEPTANCE OF DETAILEES.—Notwithstanding any other provision of law, the Office may accept detailed personnel from other Federal agencies without regard to whether the agency described under paragraph (1) is reimbursed.

[''(e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require the duplication of Federal efforts with respect to the establishment of the Office, regardless of whether such efforts were carried out prior to or after the enactment of this title.

[''(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the activities of the Office under this section for each of fiscal years 2006 through 2010.

[''SEC. 2903. AMERICAN HEALTH INFORMATION COLLABORATIVE.

[''(a) PURPOSE.—The Secretary shall establish the public-private American Health Information Collaborative (referred to in this section as the 'Collaborative') to—

[''(1) advise the Secretary and recommend specific actions to achieve a nationwide interoperable health information technology infrastructure;

[''(2) serve as a forum for the participation of a broad range of stakeholders to provide input on achieving the interoperability of health information technology; and

[''(3) recommend standards (including content, communication, and security standards) for the electronic exchange of health information for adoption by the Federal Government and voluntary adoption by private entities.

[''(b) COMPOSITION.—

[''(1) IN GENERAL.—The Collaborative shall be composed of—

[''(A) the Secretary, who shall serve as the chairperson of the Collaborative;

[''(B) the Secretary of Defense, or his or her designee;

[''(C) the Secretary of Veterans Affairs, or his or her designee;

[''(D) the Secretary of Commerce, or his or her designee;

[''(E) the National Coordinator for Health Information Technology;

[''(F) representatives of other relevant Federal agencies, as determined appropriate by the Secretary; and

[''(G) representatives from each of the following categories to be appointed by the Secretary from nominations submitted by the public—

[''(i) consumer and patient organizations;

[''(ii) experts in health information privacy and security;

[''(iii) health care providers;

[''(iv) health insurance plans or other third party payors;

[''(v) standards development organizations;

[''(vi) information technology vendors;

[''(vii) purchasers or employers; and

[''(viii) State or local government agencies or Indian tribe or tribal organizations.

[''(2) CONSIDERATIONS.—In appointing members under paragraph (1)(G), the Secretary shall select individuals with expertise in—

[''(A) health information privacy;

[''(B) health information security;

[''(C) health care quality and patient safety, including those individuals with experience in utilizing health information technology to improve health care quality and patient safety;

[''(D) data exchange; and

[''(E) developing health information technology standards and new health information technology.

[''(3) TERMS.—Members appointed under paragraph (1)(G) shall serve for 2 year terms, except that any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term. A member may serve for not to exceed 180 days after the expiration of such member's term or until a successor has been appointed.

[''(c) RECOMMENDATIONS AND POLICIES.—The Collaborative shall make recommendations to identify uniform national policies for adoption by the Federal Government and voluntary adoption by private entities to support the widespread adoption of health information technology, including—

[''(1) protection of health information through privacy and security practices;

[''(2) measures to prevent unauthorized access to health information;

[''(3) methods to facilitate secure patient access to health information;

[''(4) the ongoing harmonization of industry-wide health information technology standards;

[''(5) recommendations for a nationwide interoperable health information technology infrastructure;

[''(6) the identification and prioritization of specific use cases for which heath information technology is valuable, beneficial, and feasible;

[''(7) recommendations for the establishment of an entity to ensure the continuation of the functions of the Collaborative; and

[''(8) other policies determined to be necessary by the Collaborative.

[''(d) STANDARDS.—

[''(1) EXISTING STANDARDS.—The standards adopted by the Consolidated Health Informatics Initiative shall be deemed to have been recommended by the Collaborative under this section.

[''(2) FIRST YEAR REVIEW.—Not later than 1 year after the date of enactment of this title, the Collaborative shall—

[''(A) review existing standards (including content, communication, and security standards) for the electronic exchange of health information, including such standards adopted by the Secretary under paragraph (2)(A);

[''(B) identify deficiencies and omissions in such existing standards; and

[''(C) identify duplication and overlap in such existing standards;

and recommend modifications to such standards as necessary.

[''(3) ONGOING REVIEW.—Beginning 1 year after the date of enactment of this title, and annually thereafter, the Collaborative shall—

[''(A) review existing standards (including content, communication, and security standards) for the electronic exchange of health information, including such standards adopted by the Secretary under paragraph (2)(A);

[''(B) identify deficiencies and omissions in such existing standards; and

[''(C) identify duplication and overlap in such existing standards;

and recommend modifications to such standards as necessary.

[''(4) LIMITATION.—The standards described in this section shall be consistent with any standards developed pursuant to the Health Insurance Portability and Accountability Act of 1996.

[''(e) FEDERAL ACTION.—Not later than 60 days after the issuance of a recommendation from the Collaborative under subsection (d)(2), the Secretary of Health and Human Services, the Secretary of Veterans Affairs, and the Secretary of Defense, in collaboration with representatives of other relevant Federal agencies, as determined appropriate by the Secretary, shall jointly review such recommendations. The Secretary shall provide for the adoption by the Federal Government of any standard or standards contained in such recommendation.

[''(f) COORDINATION OF FEDERAL SPENDING.—Not later than 1 year after the adoption by the Federal Government of a recommendation as provided for in subsection (e), and in compliance with chapter 113 of title 40, United States Code, no Federal agency shall expend Federal funds for the purchase of any form of health information technology or health information technology system for clinical care or for the electronic retrieval, storage, or exchange of health information that is not consistent with applicable standards adopted by the Federal Government under subsection (e).

[''(g) COORDINATION OF FEDERAL DATA COLLECTION.—Not later than 3 years after the adoption by the Federal Government of a recommendation as provided for in subsection (e), all Federal agencies collecting health data for the purposes of surveillance, epidemiology, adverse event reporting, research, or for other purposes determined appropriate by the Secretary shall comply with standards adopted under subsection (e).

[''(h) VOLUNTARY ADOPTION.—Any standards adopted by the Federal Government under subsection (e) shall be voluntary with respect to private entities.

[''(i) REPORTS.—The Secretary shall submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Finance of the Senate and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives, on an annual basis, a report that—

[''(1) describes the specific actions that have been taken by the Federal Government and private entities to facilitate the adoption of an interoperable nationwide system for the electronic exchange of health information;

[''(2) describes barriers to the adoption of such a nationwide system;

[''(3) contains recommendations to achieve full implementation of such a nationwide system; and

[''(4) contains a plan and progress toward the establishment of an entity to ensure the continuation of the functions of the Collaborative.

[''(j) APPLICATION OF FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the Collaborative, except that the term provided for under section 14(a)(2) shall be 5 years.

[''(k) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require the duplication of Federal efforts with respect to the establishment of the Collaborative, regardless of whether such efforts were carried out prior to or after the enactment of this title.

[''(l) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out this section for each of fiscal years 2006 through 2010.

["SEC. 2904. IMPLEMENTATION AND CERTIFICATION OF HEALTH INFORMATION STANDARDS.

[''(a) IMPLEMENTATION.—

[''(1) IN GENERAL.—The Secretary, based upon the recommendations of the Collaborative, shall develop criteria to ensure uniform and consistent implementation of any standards for the electronic exchange of health information voluntarily adopted by private entities in technical conformance with such standards adopted under this title.

[''(2) IMPLEMENTATION ASSISTANCE.—The Secretary may recognize a private entity or entities to assist private entities in the implementation of the standards adopted under this title using the criteria developed by the Secretary under this section.

[''(b) CERTIFICATION.—

[''(1) IN GENERAL.—The Secretary, based upon the recommendations of the Collaborative, shall develop criteria to ensure and certify that hardware, software, and support services that claim to be in compliance with any standard for the electronic exchange of health information adopted under this title have established and maintained such compliance in technical conformance with such standards.

[''(2) CERTIFICATION ASSISTANCE.—The Secretary may recognize a private entity or entities to assist in the certification described under paragraph (1) using the criteria developed by the Secretary under this section.

[''(c) DELEGATION AUTHORITY.—The Secretary, through consultation with the Collaborative, may delegate the development of the criteria under subsections (a) and (b) to a private entity.

["SEC. 2905. GRANTS TO FACILITATE THE WIDESPREAD ADOPTION OF INTEROPERABLE HEALTH INFORMATION TECHNOLOGY.

[''(a) COMPETITIVE GRANTS TO FACILITATE THE WIDESPREAD ADOPTION OF HEALTH INFORMATION TECHNOLOGY.—

[''(1) IN GENERAL.—The Secretary may award competitive grants to eligible entities to facilitate the purchase and enhance the utilization of qualified health information technology systems to improve the quality and efficiency of health care.

[''(2) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1) an entity shall—

[''(A) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

[''(B) submit to the Secretary a strategic plan for the implementation of data sharing and interoperability measures;

[''(C) be a—

[''(i) not for profit hospital;

[''(ii) group practice (including a single physician); or

[''(iii) another health care provider not described in clause (i) or (ii);

[''(D) adopt the standards adopted by the Federal Government under section 2903;

[''(E) require that health care providers receiving such grants implement the measurement system adopted under section 2908 and report to the Secretary on such measures;

[''(F) demonstrate significant financial need; and

[''(G) provide matching funds in accordance with paragraph (4).

[''(3) USE OF FUNDS.—Amounts received under a grant under this subsection shall be used to facilitate the purchase and enhance the utilization of qualified health information technology systems.

[''(4) MATCHING REQUIREMENT.—To be eligible for a grant under this subsection an entity shall contribute non-Federal contributions to the costs of carrying out the activities for which the grant is awarded in an amount equal to $1 for each $3 of Federal funds provided under the grant.

[''(5) PREFERENCE IN AWARDING GRANTS.—In awarding grants under this subsection the Secretary shall give preference to—

[''(A) eligible entities that are located in rural, frontier, and other underserved areas as determined by the Secretary; and

[''(B) eligible entities that will link, to the extent practicable, the qualified health information system to local or regional health information networks.

[''(b) COMPETITIVE GRANTS TO STATES FOR THE DEVELOPMENT OF STATE LOAN PROGRAMS TO FACILITATE THE WIDESPREAD ADOPTION OF HEALTH INFORMATION TECHNOLOGY.—

[''(1) IN GENERAL.—The Secretary may award competitive grants to States for the establishment of State programs for loans to

health care providers to facilitate the purchase and enhance the utilization of qualified health information technology.

[''(2) ESTABLISHMENT OF FUND.—To be eligible to receive a competitive grant under this subsection, a State shall establish a qualified health information technology loan fund (referred to in this subsection as a 'State loan fund') and comply with the other requirements contained in this section. A grant to a State under this subsection shall be deposited in the State loan fund established by the State. No funds authorized by other provisions of this title to be used for other purposes specified in this title shall be deposited in any State loan fund.

[''(3) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1) a State shall—

[''(A) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

[''(B) submit to the Secretary a strategic plan in accordance with paragraph (4);

[''(C) establish a qualified health information technology loan fund in accordance with paragraph (2);

[''(D) require that health care providers receiving such loans—

[''(i) link, to the extent practicable, the qualified health information system to a local or regional health information network; and

[''(ii) consult with the Center for Best Practices established in section 914(d) to access the knowledge and experience of existing initiatives regarding the successful implementation and effective use of health information technology;

[''(E) require that health care providers receiving such loans adopt the standards adopted by the Federal Government under section 2903(d);

[''(F) require that health care providers receiving such loans implement the measurement system adopted under section 2908 and report to the Secretary on such measures; and

[''(G) provide matching funds in accordance with paragraph (8).

[''(4) STRATEGIC PLAN.—

[''(A) IN GENERAL.—A State that receives a grant under this subsection shall annually prepare a strategic plan that identifies the intended uses of amounts available to the State loan fund of the State.

[''(B) CONTENTS.—A strategic plan under subparagraph (A) shall include—

[''(i) a list of the projects to be assisted through the State loan fund in the first fiscal year that begins after the date on which the plan is submitted;

[''(ii) a description of the criteria and methods established for the distribution of funds from the State loan fund; and

[''(iii) a description of the financial status of the State loan fund and the short-term and long-term goals of the State loan fund.

[''(5) USE OF FUNDS.—

[''(A) IN GENERAL.—Amounts deposited in a State loan fund, including loan repayments and interest earned on such amounts, shall be used only for awarding loans or loan guarantees, or as a source of reserve and security for leveraged loans, the proceeds of which are deposited in the State loan fund established under paragraph (1). Loans under this section may be used by a health care provider to facilitate the purchase and enhance the utilization of qualified health information technology.

[''(B) LIMITATION.—Amounts received by a State under this subsection may not be used—

[''(i) for the purchase or other acquisition of any health information technology system that is not a qualified health information technology system;

[''(ii) to conduct activities for which Federal funds are expended under this title, or the amendments made by the Wired for Health Care Quality Act; or

[''(iii) for any purpose other than making loans to eligible entities under this section.

[''(6) TYPES OF ASSISTANCE.—Except as otherwise limited by applicable State law, amounts deposited into a State loan fund under this subsection may only be used for the following:

[''(A) To award loans that comply with the following:

[''(i) The interest rate for each loan shall be less than or equal to the market interest rate.

[''(ii) The principal and interest payments on each loan shall commence not later than 1 year after the loan was awarded, and each loan shall be fully amortized not later than 10 years after the date of the loan.

[''(iii) The State loan fund shall be credited with all payments of principal and interest on each loan awarded from the fund.

[''(B) To guarantee, or purchase insurance for, a local obligation (all of the proceeds of which finance a project eligible for assistance under this subsection) if the guarantee or purchase would improve credit market access or reduce the interest rate applicable to the obligation involved.

[''(C) As a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the State if the proceeds of the sale of the bonds will be deposited into the State loan fund.

[''(D) To earn interest on the amounts deposited into the State loan fund.

[''(7) ADMINISTRATION OF STATE LOAN FUNDS.—

[''(A) COMBINED FINANCIAL ADMINISTRATION.—A State may (as a convenience and to avoid unnecessary administrative costs) combine, in accordance with State law, the financial administration of a State loan fund established under this subsection with the financial administration of any other revolving fund established by the State if otherwise not prohibited by the law under which the State loan fund was established.

[''(B) COST OF ADMINISTERING FUND.—Each State may annually use not to exceed 4 percent of the funds provided to the State under a grant under this subsection to pay the reasonable costs of the administration of the programs under this section, including the recovery of reasonable costs expended to establish a State loan fund which are incurred after the date of enactment of this title.

[''(C) GUIDANCE AND REGULATIONS.—The Secretary shall publish guidance and promulgate regulations as may be necessary to carry out the provisions of this subsection, including—

[''(i) provisions to ensure that each State commits and expends funds allotted to the State under this subsection as efficiently as possible in accordance with this title and applicable State laws; and

[''(ii) guidance to prevent waste, fraud, and abuse.

[''(D) PRIVATE SECTOR CONTRIBUTIONS.—

[''(i) IN GENERAL.—A State loan fund established under this subsection may accept contributions from private sector entities, except that such entities may not specify the recipient or recipients of any loan issued under this subsection.

[''(ii) AVAILABILITY OF INFORMATION.—A State shall make publically available the identity of, and amount contributed by, any private sector entity under clause (i) and may issue letters of commendation or make other awards (that have no financial value) to any such entity.

[''(8) MATCHING REQUIREMENTS.—

[''(A) IN GENERAL.—The Secretary may not make a grant under paragraph (1) to a State unless the State agrees to make available (directly or through donations from public or private entities) non-Federal contributions in cash toward the costs of the State program to be implemented under the grant in an amount equal to not less than $1 for each $1 of Federal funds provided under the grant.

[''(B) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.—In determining the amount of non-Federal contributions that a State has provided pursuant to subparagraph (A), the Secretary may not include any amounts provided to the State by the Federal Government.

[''(9) PREFERENCE IN AWARDING GRANTS.—The Secretary may give a preference in awarding grants under this subsection to States that adopt value-based purchasing programs to improve health care quality.

[''(10) REPORTS.—The Secretary shall annually submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Finance of the Senate, and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives, a report summarizing the reports received by the Secretary from each State that receives a grant under this subsection.

[''(c) GRANTS FOR THE IMPLEMENTATION OF REGIONAL OR LOCAL HEALTH INFORMATION TECHNOLOGY PLANS.—

[''(1) IN GENERAL.—The Secretary may award competitive grants to eligible entities to implement regional or local health information plans to improve health care quality and efficiency through the electronic exchange of health information pursuant to the standards, protocols, and other requirements adopted by the Secretary under sections 2903 and 2908.

[''(2) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1) an entity shall—

[''(A) demonstrate financial need to the Secretary;

[''(B) demonstrate that one of its principal missions or purposes is to use information technology to improve health care quality and efficiency;

[''(C) adopt bylaws, memoranda of understanding, or other charter documents that demonstrate that the governance structure and decisionmaking processes of such entity allow for participation on an ongoing basis by multiple stakeholders within a community, including—

[''(i) physicians (as defined in section 1861(r) of the Social Security Act), including physicians that provide services to low income and underserved populations;

[''(ii) hospitals (including hospitals that provide services to low income and underserved populations);

[''(iii) pharmacists or pharmacies;

[''(iv) health insurance plans;

[''(v) health centers (as defined in section 330(b)) and Federally qualified health centers (as defined in section 1861(aa)(4) of the Social Security Act);

[''(vi) rural health clinics (as defined in section 1861(aa) of the Social Security Act);

[''(vii) patient or consumer organizations;

[''(viii) employers; and

[''(ix) any other health care providers or other entities, as determined appropriate by the Secretary;

[''(D) adopt nondiscrimination and conflict of interest policies that demonstrate a commitment to open, fair, and nondiscriminatory participation in the health information plan by all stakeholders;

[''(E) adopt the standards adopted by the Secretary under section 2903;

[''(F) require that health care providers receiving such loans implement the measurement system adopted under section 2908 and report to the Secretary on such measures;

[''(G) facilitate the electronic exchange of health information within the local or regional area and among local and regional areas;

[''(H) prepare and submit to the Secretary an application in accordance with paragraph (3); and

[''(I) agree to provide matching funds in accordance with paragraph (5).

[''(3) APPLICATION.—

[''(A) IN GENERAL.—To be eligible to receive a grant under paragraph (1), an entity shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

[''(B) REQUIRED INFORMATION.—At a minimum, an application submitted under this paragraph shall include—

[''(i) clearly identified short-term and long-term objectives of the regional or local health information plan;

[''(ii) a technology plan that complies with the standards adopted under section 2903 and that includes a descriptive and reasoned estimate of costs of the hardware, software, training, and consulting services necessary to implement the regional or local health information plan;

[''(iii) a strategy that includes initiatives to improve health care quality and efficiency, including the use and reporting of health care quality measures adopted under section 2908;

[''(iv) a plan that describes provisions to encourage the implementation of the electronic exchange of health information by all physicians, including single physician practices and small physician groups participating in the health information plan;

[''(v) a plan to ensure the privacy and security of personal health information that is consistent with Federal and State law;

[''(vi) a governance plan that defines the manner in which the stakeholders shall jointly make policy and operational decisions on an ongoing basis; and

[''(vii) a financial or business plan that describes—

['''(I) the sustainability of the plan;

['''(II) the financial costs and benefits of the plan; and

['''(III) the entities to which such costs and benefits will accrue.

[''(4) USE OF FUNDS.—Amounts received under a grant under paragraph (1) shall be used to establish and implement a regional or local health information plan in accordance with this subsection.

[''(5) MATCHING REQUIREMENT.—

[''(A) IN GENERAL.—The Secretary may not make a grant under this subsection to an entity unless the entity agrees that, with respect to the costs to be incurred by the entity in carrying out the infrastructure program for which the grant was awarded, the entity will make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount equal to not less than 50 percent of such costs ($1 for each $2 of Federal funds provided under the grant).

[''(B) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions required under subparagraph (A) may be in cash or in kind, fairly evaluated, including equipment, technology, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

[''(d) REPORTS.—Not later than 1 year after the date on which the first grant is awarded under this section, and annually thereafter during the grant period, an entity that receives a grant under this section shall submit to the Secretary a report on the activities carried out under the grant involved. Each such report shall include—

[''(1) a description of the financial costs and benefits of the project involved and of the entities to which such costs and benefits accrue;

[''(2) an analysis of the impact of the project on health care quality and safety;

[''(3) a description of any reduction in duplicative or unnecessary care as a result of the project involved;

[''(4) a description of the efforts of recipients under this section to facilitate secure patient access to health information; and

[''(5) other information as required by the Secretary.

[''(e) AUTHORIZATION OF APPROPRIATIONS.—

[''(1) IN GENERAL.—For the purpose of carrying out this section, there is authorized to be appropriated $125,000,000 for fiscal year 2006, $150,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

[''(2) AVAILABILITY.—Amounts appropriated under paragraph (1) shall remain available through fiscal year 2010.

["SEC. 2906. DEMONSTRATION PROGRAM TO INTEGRATE INFORMATION TECHNOLOGY INTO CLINICAL EDUCATION.

[''(a) IN GENERAL.—The Secretary may award grants under this section to carry out demonstration projects to develop academic curricula integrating qualified health information technology systems in the clinical education of health professionals. Such awards shall be made on a competitive basis and pursuant to peer review.

[''(b) ELIGIBILITY.—To be eligible to receive a grant under subsection (a), an entity shall—

[''(1) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

[''(2) submit to the Secretary a strategic plan for integrating qualified health information technology in the clinical education of health professionals and for ensuring the consistent utilization of decision support software to reduce medical errors and enhance health care quality;

[''(3) be—

[''(A) a health professions school;

[''(B) a school of nursing; or

[''(C) a graduate medical education program;

[''(4) provide for the collection of data regarding the effectiveness of the demonstration project to be funded under the grant in improving the safety of patients, the efficiency of health care delivery, and in increasing the likelihood that graduates of the grantee will adopt and incorporate health information technology in the delivery of health care services; and

[''(5) provide matching funds in accordance with subsection (c).

[''(c) USE OF FUNDS.—

[''(1) IN GENERAL.—With respect to a grant under subsection (a), an eligible entity shall—

[''(A) use grant funds in collaboration with 2 or more disciplines; and

[''(B) use grant funds to integrate qualified health information technology into community-based clinical education.

[''(2) LIMITATION.—An eligible entity shall not use amounts received under a grant under subsection (a) to purchase hardware, software, or services.

[''(d) MATCHING FUNDS.—

[''(1) IN GENERAL.—The Secretary may award a grant to an entity under this section only if the entity agrees to make available non-Federal contributions toward the costs of the program to be funded under the grant in an amount that is not less than $1 for each $2 of Federal funds provided under the grant.

[''(2) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions under paragraph (1) may be in cash or in kind, fairly evaluated, including equipment or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such contributions.

[''(e) EVALUATION.—The Secretary shall take such action as may be necessary to evaluate the projects funded under this section and publish, make available, and disseminate the results of such evaluations on as wide a basis as is practicable.

[''(f) REPORTS.—Not later than 1 year after the date of enactment of this title, and annually thereafter, the Secretary shall submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Finance of the Senate, and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives a report that—

[''(1) describes the specific projects established under this section; and

[''(2) contains recommendations for Congress based on the evaluation conducted under subsection (e).

[''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

[''(h) SUNSET.—This section shall not apply after September 30, 2010.

["SEC. 2907. LICENSURE AND THE ELECTRONIC EXCHANGE OF HEALTH INFORMATION.

[''(a) IN GENERAL.—The Secretary shall carry out, or contract with a private entity to carry out, a study that examines—

[''(1) the variation among State laws that relate to the licensure, registration, and certification of medical professionals; and

[''(2) how such variation among State laws impacts the secure electronic exchange of health information—

[''(A) among the States; and

[''(B) between the States and the Federal Government.

[''(b) REPORT AND RECOMMENDATIONS.—Not later than 1 year after the date of enactment of this title, the Secretary shall publish a report that—

[''(1) describes the results of the study carried out under subsection (a); and

[''(2) makes recommendations to States regarding the harmonization of State laws based on the results of such study.

["SEC. 2908. QUALITY MEASUREMENT SYSTEMS.

[''(a) IN GENERAL.—The Secretary of Health and Human Services, the Secretary of Veterans Affairs, the Secretary of Defense, and representatives of other relevant Federal agencies, as determined appropriate by the Secretary, (referred to in the section as the 'Secretaries') shall jointly develop a quality measurement system for the purpose of measuring the quality of care patients receive.

[''(b) REQUIREMENTS.—The Secretaries shall ensure that the quality measurement system developed under subsection (a) comply with the following:

[''(1) MEASURES.—

[''(A) IN GENERAL.—Subject to subparagraph (B), the Secretaries shall select measures of quality to be used by the Secretaries under the systems.

[''(B) REQUIREMENTS.—In selecting the measures to be used under each system pursuant to subparagraph (A), the Secretaries shall, to the extent feasible, ensure that—

[''(i) such measures are evidence based, reliable and valid;

[''(ii) such measures include measures of process, structure, patient experience, efficiency, and equity; and

[''(iii) such measures include measures of overuse, underuse, and misuse of health care items and services.

[''(2) PRIORITIES.—In developing the system under subsection (a), the Secretaries shall ensure that priority is given to—

[''(A) measures with the greatest potential impact for improving the quality and efficiency of care provided under Federal programs;

[''(B) measures that may be rapidly implemented by group health plans, health insurance issuers, physicians, hospitals, nursing homes, long-term care providers, and other providers; and

[''(C) measures which may inform health care decisions made by consumers and patients.

[''(3) WEIGHTS OF MEASURES.—The Secretaries shall assign weights to the measures used by the Secretaries under each system established under subsection (a).

[''(4) RISK ADJUSTMENT.—The Secretaries shall establish procedures to account for differences in patient health status, patient characteristics, and geographic location. To the extent practicable, such procedures shall recognize existing procedures.

[''(5) MAINTENANCE.—The Secretaries shall, as determined appropriate, but in no case more often than once during each 12-month period, update the quality measurement systems developed under subsection (a), including through—

[''(A) the addition of more accurate and precise measures under the systems and the retirement of existing outdated measures under the systems; and

[''(B) the refinement of the weights assigned to measures under the systems.

[''(c) REQUIRED CONSIDERATIONS IN DEVELOPING AND UPDATING THE SYSTEMS.—In developing and updating the quality measurement systems under this section, the Secretaries shall—

[''(1) consult with, and take into account the recommendations of, the entity that the Secretaries has an arrangement with under subsection (e);

[''(2) consult with representatives of health care providers, consumers, employers, and other individuals and groups that are interested in the quality of health care; and

[''(3) take into account—

[''(A) any demonstration or pilot program conducted by the Secretaries relating to measuring and rewarding quality and efficiency of care;

[''(B) any existing activities conducted by the Secretaries relating to measuring and rewarding quality and efficiency;

[''(C) any existing activities conducted by private entities including health insurance plans and payors; and

[''(D) the report by the Institute of Medicine of the National Academy of Sciences under section 238(b) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

[''(d) REQUIRED CONSIDERATIONS IN IMPLEMENTING THE SYSTEMS.—In implementing the quality measurement systems under this section, the Secretaries shall take into account the recommendations of public-private entities—

[''(1) that are established to examine issues of data collection and reporting, including the feasibility of collecting and reporting data on measures; and

[''(2) that involve representatives of health care providers, consumers, employers, and other individuals and groups that are interested in quality of care.

[''(e) ARRANGEMENT WITH AN ENTITY TO PROVIDE ADVICE AND RECOMMENDATIONS.—

[''(1) ARRANGEMENT.—On and after July 1, 2006, the Secretaries shall have in place an arrangement with an entity that meets the requirements described in paragraph (2) under which such entity provides the Secretaries with advice on, and recommendations with respect to, the development and updating of the quality measurement systems under this section, including the assigning of weights to the measures under subsection (b)(2).

[''(2) REQUIREMENTS DESCRIBED.—The requirements described in this paragraph are the following:

[''(A) The entity is a private nonprofit entity governed by an executive director and a board.

[''(B) The members of the entity include representatives of—

[''(i) health insurance plans and providers with experience in the care of individuals with multiple complex chronic conditions or groups representing such health insurance plans and providers;

[''(ii) groups representing patients and consumers;

[''(iii) purchasers and employers or groups representing purchasers or employers;

[''(iv) organizations that focus on quality improvement as well as the measurement and reporting of quality measures;

[''(v) State government health programs;

[''(vi) individuals or entities skilled in the conduct and interpretation of biomedical, health services, and health economics research and with expertise in outcomes and effectiveness research and technology assessment; and

[''(vii) individuals or entities involved in the development and establishment of standards and certification for health information technology systems and clinical data.

[''(C) The membership of the entity is representative of individuals with experience with urban health care issues and individuals with experience with rural and frontier health care issues.

[''(D) If the entity requires a fee for membership, the entity shall provide assurances to the Secretaries that such fees are not a substantial barrier to participation in the entity's activities related to the arrangement with the Secretaries.

[''(E) The entity—

[''(i) permits any member described in subparagraph (B) to vote on matters of the entity related to the arrangement with the Secretary under paragraph (1); and

[''(ii) ensures that member voting provides a balance among disparate stakeholders, so that no member organization described in subparagraph (B) unduly influences the outcome.

[''(F) With respect to matters related to the arrangement with the Secretary under paragraph (1), the entity conducts its business in an open and transparent manner and provides the opportunity for public comment.

[''(G) The entity operates as a voluntary consensus standards setting organization as defined for purposes of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (Public Law 104–113) and Office of Management and Budget Revised Circular A–119 (published in the Federal Register on February 10, 1998).

[''(f) USE OF QUALITY MEASUREMENT SYSTEM.—

[''(1) IN GENERAL.—For purposes of activities conducted or supported by the Secretary under this Act, the Secretary shall, to the extent practicable, adopt and utilize the measurement system developed under this section.

[''(2) COLLABORATIVE AGREEMENTS.—With respect to activities conducted or supported by the Secretary under this Act, the Secretary may establish collaborative agreements with private entities, including group health plans and health insurance issuers, providers, purchasers, consumer organizations, and entities receiving a grant under section 2908, to—

[''(A) encourage the use of the health care quality measures adopted by the Secretary under this section; and

[''(B) foster uniformity between the health care quality measures utilized by private entities.

[''(g) DISSEMINATION OF INFORMATION.—Beginning on January 1, 2008, in order to make comparative quality information available to health care consumers, health professionals, public health officials, researchers, and other appropriate individuals and entities, the Secretary shall provide for the aggregation and analysis of quality measures collected under section 2905 and the dissemination of recommendations and best practices derived in part from such analysis.

[''(h) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to public and private entities to enable such entities to—

[''(1) implement and use evidence-based guidelines with the greatest potential to improve health care quality, efficiency, and patient safety; and

[''(2) establish mechanisms for the rapid dissemination of information regarding evidence-based guidelines with the greatest potential to improve health care quality, efficiency, and patient safety.

["SEC. 2909. APPLICABILITY OF PRIVACY AND SECURITY REGULATIONS.

[''The regulations promulgated by the Secretary under part C of title XI of the Social Security Act and sections 261, 262, 263, and 264 of the Health Insurance Portability and Accountability Act of 1996 with respect to the privacy, confidentiality, and security of health information shall—

[''(1) apply to any health information stored or transmitted in an electronic format on or after the date of enactment of this title; and

[''(2) apply to the implementation of standards, programs, and activities under this title.

["SEC. 2910. STUDY OF REIMBURSEMENT INCENTIVES.

[''The Secretary shall carry out, or contract with a private entity to carry out, a study that examines methods to create efficient reimbursement incentives for improving health care quality in Federally qualified health centers, rural health clinics, and free clinics.''.

[SEC. 3. HEALTH INFORMATION TECHNOLOGY RESOURCE CENTER.

[Section 914 of the Public Health Service Act (42 U.S.C. 299b–3) is amended by adding at the end the following:

[''(d) CENTER FOR BEST PRACTICES.—

[''(1) IN GENERAL.—The Secretary, acting through the Director, shall develop a Center for Best Practices to provide technical assistance and develop best practices to support and accelerate efforts to adopt, implement, and effectively use interoperable health information technology in compliance with section 2903 and 2908.

[''(2) CENTER FOR BEST PRACTICES.—

[''(A) IN GENERAL.—The Center shall support activities to meet goals, including—

[''(i) providing for the widespread adoption of interoperable health information technology;

[''(ii) providing for the establishment of regional and local health information networks to facilitate the development of interoperability across health care settings and improve the quality of health care;

[''(iii) the development of solutions to barriers to the exchange of electronic health information; or

[''(iv) other activities identified by the States, local or regional health information networks, or health care stakeholders as a focus for developing and sharing best practices.

[''(B) PURPOSES.—The purpose of the Center is to—

[''(i) provide a forum for the exchange of knowledge and experience;

[''(ii) accelerate the transfer of lessons learned from existing public and private sector initiatives, including those currently receiving Federal financial support;

[''(iii) assemble, analyze, and widely disseminate evidence and experience related to the adoption, implementation, and effective use of interoperable health information technology; and

[''(iv) assure the timely provision of technical and expert assistance from the Agency and its contractors.

[''(C) SUPPORT FOR ACTIVITIES.—To provide support for the activities of the Center, the Director shall modify the requirements, if necessary, that apply to the National Resource Center for Health Information Technology to provide the necessary infrastructure to support the duties and activities of the Center and facilitate information exchange across the public and private sectors.

[''(3) TECHNICAL ASSISTANCE TELEPHONE NUMBER OR WEBSITE.—The Secretary shall establish a toll-free telephone number or Internet website to provide health care providers and patients with a single point of contact to—

[''(A) learn about Federal grants and technical assistance services related to interoperable health information technology;

[''(B) learn about qualified health information technology and the quality measurement system adopted by the Federal Government under sections 2903 and 2908;

[''(C) learn about regional and local health information networks for assistance with health information technology; and

[''(D) disseminate additional information determined by the Secretary.

[''(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection, such sums as may be necessary for each of fiscal years 2006 through 2010.''.

[SEC. 4. REAUTHORIZATION OF INCENTIVE GRANTS REGARDING TELEMEDICINE.

[Section 330L(b) of the Public Health Service Act (42 U.S.C. 254c–18(b)) is amended by striking ''2002 through 2006'' and inserting ''2006 through 2010''.]

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Wired for Health Care Quality Act''.

SEC. 2. IMPROVING HEALTH CARE QUALITY, SAFETY, AND EFFICIENCY.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by adding at the end the following:

''TITLE XXIX—HEALTH INFORMATION TECHNOLOGY AND QUALITY

''SEC. 2901. DEFINITIONS.

''In this title:

''(1) HEALTH CARE PROVIDER.—The term 'health care provider' means a hospital, skilled nursing facility, home health entity, health care clinic, federally qualified health center, group practice (as defined in section 1877(h)(4) of the Social Security Act), a pharmacist, a pharmacy, a laboratory, a physician (as defined in section 1861(r) of the Social Security Act), a health facility operated by or pursuant to a contract with the Indian Health Service, a rural health clinic, and any other category of facility or clinician determined appropriate by the Secretary.

''(2) HEALTH INFORMATION.—The term 'health information' has the meaning given such term in section 1171(4) of the Social Security Act.

''(3) HEALTH INSURANCE PLAN.—The term 'health insurance plan' means—

''(A) a health insurance issuer (as defined in section 2791(b)(2));

''(B) a group health plan (as defined in section 2791(a)(1)); and

''(C) a health maintenance organization (as defined in section 2791(b)(3)).

''(4) LABORATORY.—The term 'laboratory' has the meaning given that term in section 353.

''(5) PHARMACIST.—The term 'pharmacist' has the meaning given that term in section 804 of the Federal Food, Drug, and Cosmetic Act.

''(6) QUALIFIED HEALTH INFORMATION TECHNOLOGY.—The term 'qualified health information technology' means a computerized system (including hardware and software) that—

''(A) protects the privacy and security of health information;

''(B) maintains and provides permitted access to health information in an electronic format;

''(C) incorporates decision support to reduce medical errors and enhance health care quality;

''(D) complies with the standards adopted by the Federal Government under section 2903; and

''(E) allows for the reporting of quality measures under section 2908.

''(7) STATE.—The term 'State' means each of the several States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands.

''SEC. 2902. OFFICE OF THE NATIONAL COORDINATOR OF HEALTH INFORMATION TECHNOLOGY.

''(a) OFFICE OF NATIONAL HEALTH INFORMATION TECHNOLOGY.—There is established within the Office of the Secretary an Office of the National Coordinator of Health Information Technology (referred to in this section as the 'Office'). The Office shall be headed by a National Coordinator who shall be appointed by the President, in consultation with the Secretary, and shall report directly to the Secretary.

''(b) PURPOSE.—It shall be the purpose of the Office to coordinate and oversee programs and activities to develop a nationwide interoperable health information technology infrastructure that—

''(1) ensures that patients' health information is secure and protected;

''(2) improves health care quality, reduces medical errors, and advances the delivery of patient-centered medical care;

''(3) reduces health care costs resulting from inefficiency, medical errors, inappropriate care, and incomplete information;

''(4) ensures that appropriate information to help guide medical decisions is available at the time and place of care;

''(5) promotes a more effective marketplace, greater competition, and increased choice through the wider availability of accurate information on health care costs, quality, and outcomes;

''(6) improves the coordination of care and information among hospitals, laboratories, physician offices, and other entities through an effective infrastructure for the secure and authorized exchange of health care information;

''(7) improves public health reporting and facilitates the early identification and rapid response to public health threats and emergencies, including bioterror events and infectious disease outbreaks;

''(8) facilitates health research; and

''(9) promotes prevention of chronic diseases.

''(c) DUTIES OF THE NATIONAL COORDINATOR.—The National Coordinator shall—

''(1) serve as a member of the public-private American Health Information Collaborative established under section 2903;

''(2) serve as the principal advisor to the Secretary concerning the development, application, and use of health information technology, and coordinate and oversee the health information technology programs of the Department;

''(3) facilitate the adoption of a nationwide, interoperable system for the electronic exchange of health information;

''(4) ensure the adoption and implementation of standards for the electronic exchange of health information to reduce cost and improve health care quality;

''(5) ensure that health information technology policy and programs of the Department are coordinated with those of relevant executive branch agencies (including Federal commissions) with a goal of avoiding duplication of efforts and of helping to ensure that each agency undertakes health information technology activities primarily within the areas of its greatest expertise and technical capability;

''(6) to the extent permitted by law, coordinate outreach and consultation by the relevant executive branch agencies (including Federal commissions) with public and private parties of interest, including consumers, payers, employers, hospitals and other health care providers, physicians, community health centers, laboratories, vendors and other stakeholders;

''(7) advise the President regarding specific Federal health information technology programs; and

''(8) submit the reports described under section 2903(i) (excluding paragraph (4) of such section).

''(d) DETAIL OF FEDERAL EMPLOYEES.—

''(1) IN GENERAL.—Upon the request of the National Coordinator, the head of any Federal agency is authorized to detail, with or without reimbursement from the Office, any of the personnel of such agency to the Office to assist it in carrying out its duties under this section.

''(2) EFFECT OF DETAIL.—Any detail of personnel under paragraph (1) shall—

''(A) not interrupt or otherwise affect the civil service status or privileges of the Federal employee; and

''(B) be in addition to any other staff of the Department employed by the National Coordinator.

''(3) ACCEPTANCE OF DETAILEES.—Notwithstanding any other provision of law, the Office may accept detailed personnel from other Federal agencies without regard to whether the agency described under paragraph (1) is reimbursed.

''(e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require the duplication of Federal efforts with respect to the establishment of the Office, regardless of whether such efforts were carried out prior to or after the enactment of this title.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 2006, $5,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

''SEC. 2903. AMERICAN HEALTH INFORMATION COLLABORATIVE.

''(a) PURPOSE.—The Secretary shall establish the public-private American Health Information Collaborative (referred to in this section as the 'Collaborative') to—

''(1) advise the Secretary and recommend specific actions to achieve a nationwide interoperable health information technology infrastructure;

''(2) serve as a forum for the participation of a broad range of stakeholders to provide input on achieving the interoperability of health information technology; and

''(3) recommend standards (including content, communication, and security standards) for the electronic exchange of health information (including for the reporting of quality data under section 2908) for adoption by the Federal Government and voluntary adoption by private entities.

''(b) COMPOSITION.—

''(1) IN GENERAL.—The Collaborative shall be composed of—

''(A) the Secretary, who shall serve as the chairperson of the Collaborative;

''(B) the Secretary of Defense, or his or her designee;

''(C) the Secretary of Veterans Affairs, or his or her designee;

''(D) the Secretary of Commerce, or his or her designee;

''(E) the National Coordinator for Health Information Technology;

''(F) representatives of other relevant Federal agencies, as determined appropriate by the Secretary; and

''(G) representatives from each of the following categories to be appointed by the Secretary from nominations submitted by the public—

''(i) consumer and patient organizations;

''(ii) experts in health information privacy and security;

''(iii) health care providers;

''(iv) health insurance plans or other third party payors;

''(v) standards development organizations;

''(vi) information technology vendors;

''(vii) purchasers or employers; and

''(viii) State or local government agencies or Indian tribe or tribal organizations.

''(2) CONSIDERATIONS.—In appointing members under paragraph (1)(G), the Secretary shall select individuals with expertise in—

''(A) health information privacy;

''(B) health information security;

''(C) health care quality and patient safety, including those individuals with expertise in utilizing health information technology to improve health care quality and patient safety;

''(D) data exchange; and

''(E) developing health information technology standards and new health information technology.

''(3) PARTICIPATION.—Membership and procedures of the Collaborative shall ensure a balance among various sectors of the healthcare system so that no single sector unduly influences the recommendations of the Collaborative.

''(4) TERMS.—Members appointed under paragraph (1)(G) shall serve for 2 year terms, except that any member appointed to fill a vacancy for an unexpired term shall be appointed for the remainder of such term. A member may serve for not to exceed 180 days after the expiration of such member's term or until a successor has been appointed.

''(c) RECOMMENDATIONS AND POLICIES.—Not later than 1 year after the date of enactment of this title, and annually thereafter, the Collaborative shall recommend to the Secretary uniform national policies for adoption by the Federal Government and voluntary adoption by private entities to support the widespread adoption of health information technology, including—

''(1) protection of health information through privacy and security practices;

''(2) measures to prevent unauthorized access to health information;

''(3) methods to facilitate secure patient access to health information;

''(4) fostering the public understanding of health information technology;

''(5) the ongoing harmonization of industry-wide health information technology standards;

''(6) recommendations for a nationwide interoperable health information technology infrastructure;

''(7) the identification and prioritization of specific use cases for which health information technology is valuable, beneficial, and feasible;

''(8) recommendations for the establishment of an entity to ensure the continuation of the functions of the Collaborative; and

''(9) other policies (including recommendations for incorporating health information technology into the provision of care and the organization of the health care workplace) determined to be necessary by the Collaborative.

''(d) STANDARDS.—

''(1) EXISTING STANDARDS.—The standards adopted by the Consolidated Health Informatics Initiative shall be deemed to have been recommended by the Collaborative under this section.

''(2) FIRST YEAR REVIEW.—Not later than 1 year after the date of enactment of this title, the Collaborative shall—

''(A) review existing standards (including content, communication, and security standards) for the electronic exchange of health information, including such standards adopted by the Secretary under paragraph (2)(A);

''(B) identify deficiencies and omissions in such existing standards; and

''(C) identify duplication and overlap in such existing standards;

and recommend new standards and modifications to such existing standards as necessary.

''(3) ONGOING REVIEW.—Beginning 1 year after the date of enactment of this title, and annually thereafter, the Collaborative shall—

''(A) review existing standards (including content, communication, and security standards) for the electronic exchange of health information, including such standards adopted by the Secretary under paragraph (2)(A);

''(B) identify deficiencies and omissions in such existing standards; and

''(C) identify duplication and overlap in such existing standards;

and recommend new standards and modifications to such existing standards as necessary.

''(4) LIMITATION.—The standards and timeframe for adoption described in this section shall be consistent with any standards developed pursuant to the Health Insurance Portability and Accountability Act of 1996.

''(e) FEDERAL ACTION.—Not later than 60 days after the issuance of a recommendation from the Collaborative under subsection (d)(2), the Secretary of Health and Human Services, the Secretary of Veterans Affairs, and the Secretary of Defense, in collaboration with representatives of other relevant Federal agencies, as determined appropriate by the Secretary, shall jointly review such recommendations. The Secretary shall provide for the adoption by the Federal Government of any standard or standards contained in such recommendation.

''(f) COORDINATION OF FEDERAL SPENDING.—Not later than 1 year after the adoption by the Federal Government of a recommendation as provided for in subsection (e), and in compliance with chapter 113 of title 40, United States Code, no Federal agency shall expend Federal funds for the purchase of any form of health information technology or health information technology system for clinical care or for the electronic retrieval, storage, or exchange of health information that is not consistent with applicable standards adopted by the Federal Government under subsection (e).

''(g) COORDINATION OF FEDERAL DATA COLLECTION.—Not later than 3 years after the adoption by the Federal Government of a recommendation as provided for in subsection (e), all Federal agencies collecting health data for the purposes of quality reporting, surveillance, epidemiology, adverse event reporting, research, or for other purposes determined appropriate by the Secretary, shall comply with standards adopted under subsection (e).

''(h) VOLUNTARY ADOPTION.—

''(1) IN GENERAL.—Any standards adopted by the Federal Government under subsection (e) shall be voluntary with respect to private entities.

''(2) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require that a private entity that enters into a contract with the Federal Government adopt the standards adopted by the Federal Government under section 2903 with respect to activities not related to the contract.

''(3) LIMITATION.—Private entities that enter into a contract with the Federal Government shall adopt the standards adopted by the Federal Government under section 2903 for the purpose of activities under such Federal contract.

''(i) REPORTS.—The Secretary shall submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Finance of the Senate and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives, on an annual basis, a report that—

''(1) describes the specific actions that have been taken by the Federal Government and private entities to facilitate the adoption of an interoperable nationwide system for the electronic exchange of health information;

''(2) describes barriers to the adoption of such a nationwide system;

''(3) contains recommendations to achieve full implementation of such a nationwide system; and

''(4) contains a plan and progress toward the establishment of an entity to ensure the continuation of the functions of the Collaborative.

''(j) APPLICATION OF FACA.—The Federal Advisory Committee Act (5 U.S.C. App.) shall apply to the Collaborative, except that the term provided for under section 14(a)(2) shall be 5 years.

''(k) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require the duplication of Federal efforts with respect to the establishment of the Collaborative, regardless of whether such efforts were carried out prior to or after the enactment of this title.

''(l) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section, $4,000,000 for fiscal year 2006, $4,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

''SEC. 2904. IMPLEMENTATION AND CERTIFICATION OF HEALTH INFORMATION STANDARDS.

''(a) IMPLEMENTATION.—

''(1) IN GENERAL.—The Secretary, based upon the recommendations of the Collaborative, shall develop criteria to ensure uniform and consistent implementation of any standards for the electronic exchange of health information voluntarily adopted by private entities in technical conformance with such standards adopted under this title.

''(2) IMPLEMENTATION ASSISTANCE.—The Secretary may recognize a private entity or entities to assist private entities in the implementation of the standards adopted under this title using the criteria developed by the Secretary under this section.

''(b) CERTIFICATION.—

''(1) IN GENERAL.—The Secretary, based upon the recommendations of the Collaborative, shall develop criteria to ensure and certify that hardware and software that claim to be in compliance with any standard for the electronic exchange of health information adopted under this title have established and maintained such compliance in technical conformance with such standards.

''(2) CERTIFICATION ASSISTANCE.—The Secretary may recognize a private entity or entities to assist in the certification described under paragraph (1) using the criteria developed by the Secretary under this section.

''(c) DELEGATION AUTHORITY.—The Secretary, through consultation with the Collaborative, may accept recommendations on the development of the criteria under subsections (a) and (b) from a Federal agency or private entity.

"SEC. 2905. GRANTS TO FACILITATE THE WIDESPREAD ADOPTION OF INTEROPERABLE HEALTH INFORMATION TECHNOLOGY.

''(a) COMPETITIVE GRANTS TO FACILITATE THE WIDESPREAD ADOPTION OF HEALTH INFORMATION TECHNOLOGY.—

''(1) IN GENERAL.—The Secretary may award competitive grants to eligible entities to facilitate the purchase and enhance the utilization of qualified health information technology systems to improve the quality and efficiency of health care.

''(2) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1) an entity shall—

''(A) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

''(B) submit to the Secretary a strategic plan for the implementation of data sharing and interoperability measures;

''(C) be a—

''(i) not for profit hospital;

''(ii) individual or group practice; or

''(iii) another health care provider not described in clause (i) or (ii);

''(D) adopt the standards adopted by the Federal Government under section 2903;

''(E) implement the measurement system adopted under section 2908 and report to the Secretary on such measures;

''(F) demonstrate significant financial need; and

''(G) provide matching funds in accordance with paragraph (4).

''(3) USE OF FUNDS.—Amounts received under a grant under this subsection shall be used to facilitate the purchase and enhance the utilization of qualified health information technology systems and training personnel in the use of such technology.

''(4) MATCHING REQUIREMENT.—To be eligible for a grant under this subsection an entity shall contribute non-Federal contributions to the costs of carrying out the activities for which the grant is awarded in an amount equal to $1 for each $3 of Federal funds provided under the grant.

''(5) PREFERENCE IN AWARDING GRANTS.—In awarding grants under this subsection the Secretary shall give preference to—

''(A) eligible entities that are located in rural, frontier, and other underserved areas as determined by the Secretary;

''(B) eligible entities that will link, to the extent practicable, the qualified health information system to local or regional health information plan or plans; and

''(C) with respect to an entity described in subsection (a)(2)(C)(iii), a nonprofit health care provider.

''(b) COMPETITIVE GRANTS TO STATES FOR THE DEVELOPMENT OF STATE LOAN PROGRAMS TO FACILITATE THE WIDESPREAD ADOPTION OF HEALTH INFORMATION TECHNOLOGY.—

''(1) IN GENERAL.—The Secretary may award competitive grants to States for the establishment of State programs for loans to health care providers to facilitate the purchase and enhance the utilization of qualified health information technology.

''(2) ESTABLISHMENT OF FUND.—To be eligible to receive a competitive grant under this subsection, a State shall establish a qualified health information technology loan fund (referred to in this subsection as a 'State loan fund') and comply with the other requirements contained in this section. A grant to a State under this subsection shall be deposited in the State loan fund established by the State. No funds authorized by other provisions of this title to be used for other purposes specified in this title shall be deposited in any State loan fund.

''(3) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1) a State shall—

''(A) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

''(B) submit to the Secretary a strategic plan in accordance with paragraph (4);

''(C) establish a qualified health information technology loan fund in accordance with paragraph (2);

''(D) require that health care providers receiving such loans—

''(i) link, to the extent practicable, the qualified health information system to a local or regional health information network; and

''(ii) consult with the Health Information Technology Resource Center established in section 914(d) to access the knowledge and experience of existing initiatives regarding the successful implementation and effective use of health information technology;

''(E) require that health care providers receiving such loans adopt the standards adopted by the Federal Government under section 2903;

''(F) require that health care providers receiving such loans implement the measurement system adopted under section 2908 and report to the Secretary on such measures; and

''(G) provide matching funds in accordance with paragraph (8).

''(4) STRATEGIC PLAN.—

''(A) IN GENERAL.—A State that receives a grant under this subsection shall annually prepare a strategic plan that identifies the intended uses of amounts available to the State loan fund of the State.

''(B) CONTENTS.—A strategic plan under subparagraph (A) shall include—

''(i) a list of the projects to be assisted through the State loan fund in the first fiscal year that begins after the date on which the plan is submitted;

''(ii) a description of the criteria and methods established for the distribution of funds from the State loan fund; and

''(iii) a description of the financial status of the State loan fund and the short-term and long-term goals of the State loan fund.

''(5) USE OF FUNDS.—

''(A) IN GENERAL.—Amounts deposited in a State loan fund, including loan repayments and interest earned on such amounts, shall be used only for awarding loans or loan guarantees, or as a source of reserve and security for leveraged loans, the proceeds of which are deposited in the State loan fund established under paragraph (1). Loans under this section may be used by a health care provider to facilitate the purchase and enhance the utilization of qualified health information technology and training of personnel in the use of such technology.

''(B) LIMITATION.—Amounts received by a State under this subsection may not be used—

''(i) for the purchase or other acquisition of any health information technology system that is not a qualified health information technology system;

''(ii) to conduct activities for which Federal funds are expended under this title, or the amendments made by the Wired for Health Care Quality Act; or

''(iii) for any purpose other than making loans to eligible entities under this section.

''(6) TYPES OF ASSISTANCE.—Except as otherwise limited by applicable State law, amounts deposited into a State loan fund under this subsection may only be used for the following:

''(A) To award loans that comply with the following:

''(i) The interest rate for each loan shall be less than or equal to the market interest rate.

''(ii) The principal and interest payments on each loan shall commence not later than 1 year after the loan was awarded, and each loan shall be fully amortized not later than 10 years after the date of the loan.

''(iii) The State loan fund shall be credited with all payments of principal and interest on each loan awarded from the fund.

''(B) To guarantee, or purchase insurance for, a local obligation (all of the proceeds of which finance a project eligible for assistance under this subsection) if the guarantee or purchase would improve credit market access or reduce the interest rate applicable to the obligation involved.

''(C) As a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the State if the proceeds of the sale of the bonds will be deposited into the State loan fund.

''(D) To earn interest on the amounts deposited into the State loan fund.

''(7) ADMINISTRATION OF STATE LOAN FUNDS.—

''(A) COMBINED FINANCIAL ADMINISTRATION.—A State may (as a convenience and to avoid unnecessary administrative costs) combine, in accordance with State law, the financial administration of a State loan fund established under this subsection with the financial administration of any other revolving fund established by the State if otherwise not prohibited by the law under which the State loan fund was established.

''(B) COST OF ADMINISTERING FUND.—Each State may annually use not to exceed 4 percent of the funds provided to the State under a grant under this subsection to pay the reasonable costs of the administration of the programs under this section, including the recovery of reasonable costs expended to establish a State loan fund which are incurred after the date of enactment of this title.

''(C) GUIDANCE AND REGULATIONS.—The Secretary shall publish guidance and promulgate regulations as may be necessary to carry out the provisions of this subsection, including—

''(i) provisions to ensure that each State commits and expends funds allotted to the State under this subsection as efficiently as possible in accordance with this title and applicable State laws; and

''(ii) guidance to prevent waste, fraud, and abuse.

''(D) PRIVATE SECTOR CONTRIBUTIONS.—

''(i) IN GENERAL.—A State loan fund established under this subsection may accept contributions from private sector entities, except that such entities may not specify the recipient or recipients of any loan issued under this subsection.

''(ii) AVAILABILITY OF INFORMATION.—A State shall make publicly available the identity of, and amount contributed by, any private sector entity under clause (i) and may issue letters of commendation or make other awards (that have no financial value) to any such entity.

''(8) MATCHING REQUIREMENTS.—

''(A) IN GENERAL.—The Secretary may not make a grant under paragraph (1) to a State unless the State agrees to make available (directly or through donations from public or private entities) non-Federal contributions in cash toward the costs of the State program to be implemented under the grant in an amount equal to not less than $1 for each $1 of Federal funds provided under the grant.

''(B) DETERMINATION OF AMOUNT OF NON-FEDERAL CONTRIBUTION.—In determining the amount of non-Federal contributions that a State has provided pursuant to subparagraph (A), the Secretary may not include any amounts provided to the State by the Federal Government.

''(9) PREFERENCE IN AWARDING GRANTS.—The Secretary may give a preference in awarding grants under this subsection to States that adopt value-based purchasing programs to improve health care quality.

''(10) REPORTS.—The Secretary shall annually submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Finance of the Senate, and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives, a report summarizing the reports received by the Secretary from each State that receives a grant under this subsection.

''(c) COMPETITIVE GRANTS FOR THE IMPLEMENTATION OF REGIONAL OR LOCAL HEALTH INFORMATION TECHNOLOGY PLANS.—

''(1) IN GENERAL.—The Secretary may award competitive grants to eligible entities to implement regional or local health information plans to improve health care quality and efficiency through the electronic exchange of health information pursuant to the standards, protocols, and other requirements adopted by the Secretary under sections 2903 and 2908.

''(2) ELIGIBILITY.—To be eligible to receive a grant under paragraph (1) an entity shall—

''(A) demonstrate financial need to the Secretary;

''(B) demonstrate that one of its principal missions or purposes is to use information technology to improve health care quality and efficiency;

''(C) adopt bylaws, memoranda of understanding, or other charter documents that demonstrate that the governance structure and decisionmaking processes of such entity allow for participation on an ongoing basis by multiple stakeholders within a community, including—

''(i) physicians (as defined in section 1861(r) of the Social Security Act), including physicians that provide services to low income and underserved populations;

''(ii) hospitals (including hospitals that provide services to low income and underserved populations);

''(iii) pharmacists or pharmacies;

''(iv) health insurance plans;

''(v) health centers (as defined in section 330(b)) and Federally qualified health centers (as defined in section 1861(aa)(4) of the Social Security Act);

''(vi) rural health clinics (as defined in section 1861(aa) of the Social Security Act);

''(vii) patient or consumer organizations;

''(viii) employers; and

''(ix) any other health care providers or other entities, as determined appropriate by the Secretary;

''(D) demonstrate the participation, to the extent practicable, of stakeholders in the electronic exchange of health information within the local or regional plan pursuant to paragraph (2)(C);

''(E) adopt nondiscrimination and conflict of interest policies that demonstrate a commitment to open, fair, and nondiscriminatory participation in the health information plan by all stakeholders;

''(F) adopt the standards adopted by the Secretary under section 2903;

''(G) require that health care providers receiving such grants implement the measurement system adopted under section 2908 and report to the Secretary on such measures;

''(H) facilitate the electronic exchange of health information within the local or regional area and among local and regional areas;

''(I) prepare and submit to the Secretary an application in accordance with paragraph (3); and

''(J) agree to provide matching funds in accordance with paragraph (5).

''(3) APPLICATION.—

''(A) IN GENERAL.—To be eligible to receive a grant under paragraph (1), an entity shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require.

''(B) REQUIRED INFORMATION.—At a minimum, an application submitted under this paragraph shall include—

''(i) clearly identified short-term and long-term objectives of the regional or local health information plan;

''(ii) a technology plan that complies with the standards adopted under section 2903 and that includes a descriptive and reasoned estimate of costs of the hardware, software, training, and consulting services necessary to implement the regional or local health information plan;

''(iii) a strategy that includes initiatives to improve health care quality and efficiency, including the use and reporting of health care quality measures adopted under section 2908;

''(iv) a plan that describes provisions to encourage the implementation of the electronic exchange of health information by all physicians, including single physician practices and small physician groups participating in the health information plan;

''(v) a plan to ensure the privacy and security of personal health information that is consistent with Federal and State law;

''(vi) a governance plan that defines the manner in which the stakeholders shall jointly make policy and operational decisions on an ongoing basis;

''(vii) a financial or business plan that describes—

''(I) the sustainability of the plan;

''(II) the financial costs and benefits of the plan; and

''(III) the entities to which such costs and benefits will accrue; and

''(viii) if the case of an applicant entity that is unable to demonstrate the participation of all stakeholders pursuant to paragraph (2)(C), the justification from the entity for any such non-participation.

''(4) USE OF FUNDS.—Amounts received under a grant under paragraph (1) shall be used to establish and implement a regional or local health information plan in accordance with this subsection.

''(5) MATCHING REQUIREMENT.—

''(A) IN GENERAL.—The Secretary may not make a grant under this subsection to an entity unless the entity agrees that, with respect to the costs to be incurred by the entity in carrying out the infrastructure program for which the grant was awarded, the entity will make available (directly or through donations from public or private entities) non-Federal contributions toward such costs in an amount equal to not less than 50 percent of such costs ($1 for each $2 of Federal funds provided under the grant).

''(B) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions required under subparagraph (A) may be in cash or in kind, fairly evaluated, including equipment, technology, or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such non-Federal contributions.

''(d) REPORTS.—Not later than 1 year after the date on which the first grant is awarded under this section, and annually thereafter during the grant period, an entity that receives a grant under this section shall submit to the Secretary a report on the activities carried out under the grant involved. Each such report shall include—

''(1) a description of the financial costs and benefits of the project involved and of the entities to which such costs and benefits accrue;

''(2) an analysis of the impact of the project on health care quality and safety;

''(3) a description of any reduction in duplicative or unnecessary care as a result of the project involved;

''(4) a description of the efforts of recipients under this section to facilitate secure patient access to health information; and

''(5) other information as required by the Secretary.

''(e) REQUIREMENT TO ACHIEVE QUALITY IMPROVEMENT.—The Secretary shall annually evaluate the activities conducted under this section and shall, in awarding grants, implement the lessons learned from such evaluation in a manner so that awards made subsequent to each such evaluation are made in a manner that, in the determination of the Secretary, will result in the greatest improvement in quality measurement systems under section 2908.

''(f) LIMITATION.—An eligible entity may only receive one non-renewable grant under subsection (a), one non-renewable grant under subsection (b), and one non-renewable grant under subsection (c).

''(g) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—For the purpose of carrying out this section, there is authorized to be appropriated $116,000,000 for fiscal year 2006, $141,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

''(2) AVAILABILITY.—Amounts appropriated under paragraph (1) shall remain available through fiscal year 2010.

"SEC. 2906. DEMONSTRATION PROGRAM TO INTEGRATE INFORMATION TECHNOLOGY INTO CLINICAL EDUCATION.

''(a) IN GENERAL.—The Secretary may award grants under this section to carry out demonstration projects to develop academic curricula integrating qualified health information technology systems in the clinical education of health professionals. Such awards shall be made on a competitive basis and pursuant to peer review.

''(b) ELIGIBILITY.—To be eligible to receive a grant under subsection (a), an entity shall—

''(1) submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary may require;

''(2) submit to the Secretary a strategic plan for integrating qualified health information technology in the clinical education of health professionals and for ensuring the consistent utilization of decision support software to reduce medical errors and enhance health care quality;

''(3) be—

''(A) a health professions school;

''(B) a school of nursing; or

''(C) an institution with a graduate medical education program;

''(4) provide for the collection of data regarding the effectiveness of the demonstration project to be funded under the grant in improving the safety of patients, the efficiency of health care delivery, and in increasing the likelihood that graduates of the grantee will adopt and incorporate health information technology, and implement the quality measurement system adopted under section 2908, in the delivery of health care services; and

''(5) provide matching funds in accordance with subsection (c).

''(c) USE OF FUNDS.—

''(1) IN GENERAL.—With respect to a grant under subsection (a), an eligible entity shall—

''(A) use grant funds in collaboration with 2 or more disciplines; and

''(B) use grant funds to integrate qualified health information technology into community-based clinical education.

''(2) LIMITATION.—An eligible entity shall not use amounts received under a grant under subsection (a) to purchase hardware, software, or services.

''(d) MATCHING FUNDS.—

''(1) IN GENERAL.—The Secretary may award a grant to an entity under this section only if the entity agrees to make available non-Federal contributions toward the costs of the program to be funded under the grant in an amount that is not less than $1 for each $2 of Federal funds provided under the grant.

''(2) DETERMINATION OF AMOUNT CONTRIBUTED.—Non-Federal contributions under paragraph (1) may be in cash or in kind, fairly evaluated, including equipment or services. Amounts provided by the Federal Government, or services assisted or subsidized to any significant extent by the Federal Government, may not be included in determining the amount of such contributions.

''(e) EVALUATION.—The Secretary shall take such action as may be necessary to evaluate the projects funded under this section and publish, make available, and disseminate the results of such evaluations on as wide a basis as is practicable.

''(f) REPORTS.—Not later than 1 year after the date of enactment of this title, and annually thereafter, the Secretary shall submit to the Committee on Health, Education, Labor, and Pensions and the Committee on Finance of the Senate, and the Committee on Energy and Commerce and the Committee on Ways and Means of the House of Representatives a report that—

''(1) describes the specific projects established under this section; and

''(2) contains recommendations for Congress based on the evaluation conducted under subsection (e).

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $5,000,000 for fiscal year 2007, and such sums as may be necessary for each of fiscal years 2008 through 2010.

''(h) SUNSET.—This section shall not apply after September 30, 2010.

''SEC. 2907. LICENSURE AND THE ELECTRONIC EXCHANGE OF HEALTH INFORMATION.

''(a) IN GENERAL.—The Secretary shall carry out, or contract with a private entity to carry out, a study that examines—

''(1) the variation among State laws that relate to the licensure, registration, and certification of medical professionals; and

''(2) how such variation among State laws impacts the secure electronic exchange of health information—

''(A) among the States; and

''(B) between the States and the Federal Government.

''(b) REPORT AND RECOMMENDATIONS.—Not later than 1 year after the date of enactment of this title, the Secretary shall publish a report that—

''(1) describes the results of the study carried out under subsection (a); and

''(2) makes recommendations to States regarding the harmonization of State laws based on the results of such study.

''SEC. 2908. QUALITY MEASUREMENT SYSTEM.

''(a) IN GENERAL.—The Secretary, in consultation with the Secretary of Veterans Affairs, the Secretary of Defense, and representatives of other relevant Federal agencies, as determined appropriate by the Secretary, shall develop or adopt a quality measurement system, including measures to assess that effectiveness, timeliness, patient self-management, patient centeredness, efficiency, and safety, for the purpose of measuring the quality of care patients receive.

''(b) REQUIREMENTS.—The Secretary shall ensure that the quality measurement system developed under subsection (a) comply with the following:

''(1) MEASURES.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall select measures of quality to be used by the Secretary under the systems.

''(B) REQUIREMENTS.—In selecting the measures to be used under each system pursuant to subparagraph (A), the Secretary shall, to the extent feasible, ensure that—

''(i) such measures are evidence based, reliable and valid;

''(ii) such measures include measures of clinical processes and outcomes, patient experience, efficiency, and equity; and

''(iii) such measures include measures of overuse and underuse of health care items and services.

''(2) PRIORITIES.—In developing the system under subsection (a), the Secretary shall ensure that priority is given to—

''(A) measures with the greatest potential impact for improving the quality and efficiency of care provided under Federal programs;

''(B) measures that may be rapidly implemented by group health plans, health insurance issuers, physicians, hospitals, nursing homes, long-term care providers, and other providers; and

''(C) measures which may inform health care decisions made by consumers and patients.

''(3) WEIGHTS OF MEASURES.—The Secretary shall assign weights to the measures used by the Secretary under each system established under subsection (a).

''(4) RISK ADJUSTMENT.—The Secretary shall establish procedures to account for differences in patient health status, patient characteristics, and geographic location. To the extent practicable, such procedures shall recognize existing procedures.

''(5) MAINTENANCE.—The Secretary shall, as determined appropriate, but in no case more often than once during each 12-month period, update the quality measurement systems developed under subsection (a), including through—

''(A) the addition of more accurate and precise measures under the systems and the retirement of existing outdated measures under the systems; and

''(B) the refinement of the weights assigned to measures under the systems.

''(c) REQUIRED CONSIDERATIONS IN DEVELOPING AND UPDATING THE SYSTEMS.—In developing and updating the quality measurement systems under this section, the Secretary shall—

''(1) consult with, and take into account the recommendations of, the entity that the Secretary has an arrangement with under subsection (e);

''(2) consult with representatives of health care providers (including physicians, pharmacists, nurses, and other health care professionals), consumers, employers, and other individuals and groups that are interested in the quality of health care; and

''(3) take into account—

''(A) any demonstration or pilot program conducted by the Secretary relating to measuring and rewarding quality and efficiency of care;

''(B) any existing activities conducted by the Secretary relating to measuring and rewarding quality and efficiency;

''(C) any existing activities conducted by private entities including health insurance plans and payors; and

''(D) the report by the Institute of Medicine of the National Academy of Sciences under section 238(b) of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003.

''(d) REQUIRED CONSIDERATIONS IN IMPLEMENTING THE SYSTEMS.—In implementing the quality measurement systems under this section, the Secretary shall take into account the recommendations of public-private entities—

''(1) that are established to examine issues of data collection and reporting, including the feasibility of collecting and reporting data on measures; and

''(2) that involve representatives of health care providers (including physicians, pharmacists, nurses, and other health care professionals), consumers, employers, and other individuals and groups that are interested in quality of care.

''(e) ARRANGEMENT WITH AN ENTITY TO PROVIDE ADVICE AND RECOMMENDATIONS.—

''(1) ARRANGEMENT.—On and after July 1, 2006, the Secretary shall have in place an arrangement with an entity that meets the requirements described in paragraph (2) under which such entity provides the Secretary with advice on, and recommendations with respect to, the development and updating of the quality measurement systems under this section, including the assigning of weights to the measures under subsection (b)(2).

''(2) REQUIREMENTS DESCRIBED.—The requirements described in this paragraph are the following:

''(A) The entity is a private nonprofit entity governed by an executive director and a board.

''(B) The members of the entity include representatives of—

''(i) health insurance plans and health care providers with experience in the care of individuals with multiple complex chronic conditions or groups representing such health insurance plans and providers;

''(ii) groups representing patients and consumers;

''(iii) purchasers and employers or groups representing purchasers or employers;

''(iv) organizations that focus on quality improvement as well as the measurement and reporting of quality measures;

''(v) State government health programs;

''(vi) individuals or entities skilled in the conduct and interpretation of biomedical, health services, and health economics research and with expertise in outcomes and effectiveness research and technology assessment; and

''(vii) individuals or entities involved in the development and establishment of standards and certification for health information technology systems and clinical data.

''(C) The membership of the entity is representative of individuals with experience with urban health care issues and individuals with experience with rural and frontier health care issues.

''(D) If the entity requires a fee for membership, the entity shall provide assurances to the Secretary that such fees are not a substantial barrier to participation in the entity's activities related to the arrangement with the Secretary.

''(E) The entity—

''(i) permits any member described in subparagraph (B) to vote on matters of the entity related to the arrangement with the Secretary under paragraph (1); and

''(ii) ensures that member voting provides a balance among disparate stakeholders, so that no member organization described in subparagraph (B) unduly influences the outcome.

''(F) With respect to matters related to the arrangement with the Secretary under paragraph (1), the entity conducts its business in an open and transparent manner and provides the opportunity for public comment.

''(G) The entity operates as a voluntary consensus standards setting organization as defined for purposes of section 12(d) of the National Technology Transfer and Advancement Act of 1995 (Public Law 104–113) and Office of Management and Budget Revised Circular A–119 (published in the Federal Register on February 10, 1998).

''(f) USE OF QUALITY MEASUREMENT SYSTEM.—

''(1) IN GENERAL.—For purposes of activities conducted or supported by the Secretary under this Act, the Secretary shall, to the extent practicable, adopt and utilize the measurement system developed under this section.

''(2) COLLABORATIVE AGREEMENTS.—With respect to activities conducted or supported by the Secretary under this Act, the Secretary may establish collaborative agreements with private entities, including group health plans and health insurance issuers, providers, purchasers, consumer organizations, and entities receiving a grant under section 2905, to—

''(A) encourage the use of the health care quality measures adopted by the Secretary under this section; and

''(B) foster uniformity between the health care quality measures utilized by private entities.

''(3) REPORTING.—The Secretary shall implement procedures to enable the Department of Health and Human Services to accept the electronic submission of data for purposes of quality measurement using the quality measurement system adopted under this section and using the standards adopted by the Federal Government under section 2903.

''(g) DISSEMINATION OF INFORMATION.—Beginning on January 1, 2008, in order to make comparative quality information available to health care consumers, health professionals, public health officials, researchers, and other appropriate individuals and entities, the Secretary shall provide for the dissemination, aggregation, and analysis of quality measures collected under section 2905 and the dissemination of recommendations and best practices derived in part from such analysis.

''(h) TECHNICAL ASSISTANCE.—The Secretary shall provide technical assistance to public and private entities to enable such entities to—

''(1) implement and use evidence-based guidelines with the greatest potential to improve health care quality, efficiency, and patient safety; and

''(2) establish mechanisms for the rapid dissemination of information regarding evidence-based guidelines with the greatest potential to improve health care quality, efficiency, and patient safety.

''SEC. 2909. ENSURING PRIVACY AND SECURITY.

''Nothing in this title shall be construed to affect the scope or substance of—

''(1) section 264 of the Health Insurance Portability and Accountability Act of 1996;

''(2) sections 1171 through 1179 of the Social Security Act; and

''(3) any regulation issued pursuant to any such section;

and such sections shall remain in effect.

''SEC. 2910. STUDY OF REIMBURSEMENT INCENTIVES.

''The Secretary shall carry out, or contract with a private entity to carry out, a study that examines methods to create efficient reimbursement incentives for improving health care quality in Federally qualified health centers, rural health clinics, and free clinics.''.

SEC. 3. HEALTH INFORMATION TECHNOLOGY RESOURCE CENTER.

Section 914 of the Public Health Service Act (42 U.S.C. 299b–3) is amended by adding at the end the following:

''(d) HEALTH INFORMATION TECHNOLOGY RESOURCE CENTER.—

''(1) IN GENERAL.—The Secretary, acting through the Director, shall develop a Health Information Technology Resource Center to provide technical assistance and develop best practices to support and accelerate efforts to adopt, implement, and effectively use interoperable health information technology in compliance with section 2903 and 2908.

''(2) HEALTH INFORMATION TECHNOLOGY RESOURCE CENTER.—

''(A) IN GENERAL.—The Center shall support activities to meet goals, including—

''(i) providing for the widespread adoption of interoperable health information technology;

''(ii) providing for the establishment of regional and local health information networks to facilitate the development of interoperability across health care settings and improve the quality of health care;

''(iii) the development of solutions to barriers to the exchange of electronic health information; or

''(iv) other activities identified by the States, local or regional health information networks, or health care stakeholders as a focus for developing and sharing best practices.

''(B) PURPOSES.—The purpose of the Center is to—

''(i) provide a forum for the exchange of knowledge and experience;

''(ii) accelerate the transfer of lessons learned from existing public and private sector initiatives, including those currently receiving Federal financial support; and

''(iii) assemble, analyze, and widely disseminate evidence and experience related to the adoption, implementation, and effective use of interoperable health information technology.

''(C) SUPPORT FOR ACTIVITIES.—To provide support for the activities of the Center, the Director shall modify the requirements, if necessary, that apply to the National Resource Center for Health Information Technology to provide the necessary infrastructure to support the duties and activities of the Center and facilitate information exchange across the public and private sectors.

''(3) TECHNICAL ASSISTANCE TELEPHONE NUMBER OR WEBSITE.—The Secretary shall establish a toll-free telephone number or Internet website to provide health care providers and patients with a single point of contact to—

''(A) learn about Federal grants and technical assistance services related to interoperable health information technology;

''(B) learn about qualified health information technology and the quality measurement system adopted by the Federal Government under sections 2903 and 2908;

''(C) learn about regional and local health information networks for assistance with health information technology; and

''(D) disseminate additional information determined by the Secretary.

''(4) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to require the duplication of Federal efforts with respect to the establishment of the Center, regardless of whether such efforts were carried out prior to or after the enactment of this subsection.''.

SEC. 4. REAUTHORIZATION OF INCENTIVE GRANTS REGARDING TELEMEDICINE.

Section 330L(b) of the Public Health Service Act (42 U.S.C. 254c–18(b)) is amended by striking ''2002 through 2006'' and inserting ''2006 through 2010''.

Mr. FRIST. Mr. President, I ask unanimous consent that the Enzi substitute at the desk be agreed to, the committee-reported amendment, as amended, be agreed to, the bill, as amended, be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2671) was agreed to.

(The amendment is printed in today's RECORD under ''Text of Amendments.'')

The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill (S. 1418), as amended, was read the third time and passed.

Mr. FRIST. Mr. President, the Senate just passed a bill that takes a major step—major step—to bringing health care into the information age, finally. This bill, the Wired for Health Care Quality Act, reflects the hard work by Senator ENZI, to whom I will turn the floor over shortly, myself, Senator KENNEDY, Senator CLINTON, and many others.

This bill will do as much as anything we have done in this Congress and the last Congress and the Congress before that to cut waste and inefficiency out of our health care system. What the bill does is encourage the use of secure and interoperable health care records, electronic records, electronic medical records.

This has a huge benefit for every American. It reduces waste and inefficiency. It reduces medical errors. It improves the quality of health care. It reduces health care costs throughout the system, raising quality. When you lower costs and you raise quality, by definition, you improve access as well.

This bill will help empower patients to become full partners in what we all have as a vision; and that is, a patient-centered, provider-friendly, consumer-driven system that will be driven by information, and be driven by choice, and be driven by control.

Patient privacy is protected. This secure exchange of lifesaving information improves efficiency throughout the system. It will allow, for the first time, because there are interoperable standards that are set, the exchange of information, which will seamlessly help integrate health care delivery from the time a patient first presents to see a physician or a nurse to ultimate discharge and treatment.

So this really is a pivotal moment. I encourage the House to act quickly on the legislation.

Again, I thank Senator ENZI for his leadership. Without it, this moment simply would not be possible. I thank Senator CLINTON who has stressed, from day one, the importance of having quality injected into this bill, and Senator KENNEDY. I thank them all for their commitment to this effort.

I thank the staff who have worked many hours: Andrea Palm, Katy Barr, Steve Northrup, and David Bowen, and many others.

Mr. President, I do want to at least turn to my colleague to thank him and

so he can make a few comments because this is truly historic legislation. And although it is mighty early in the morning now—late at night or early in the morning—this really is a historic time for health care and health care delivery.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Mr. President, I thank the leader for his kind comments but much more so for his diligent work and leadership on this issue. As the heart doctor of the Senate, and the doctor with a lot of heart, he understands the need for health information technology and worked in a very bipartisan way with Senator CLINTON to come up with some of the precepts we have in this bill. Senator KENNEDY and I were working on some other aspects of it. And we merged those two to come up with a much more comprehensive health IT bill.

This will make a huge difference in the country. A RAND study that was recently released said this will save about $162 billion a year in medical costs. In my opinion, that is not even going to be the biggest benefit. The biggest benefit is that it is going to allow medical data to move with the people as they move.

When they go to the doctor's office, they will not have to take that little clipboard and fill out whatever it is they can remember about their health. And it will not matter because a lot more information will be available to the doctor so he can make the right kinds of decisions and choices.

It will also benefit travelers. If a tourist is out on the road and has a wreck and has to see a doctor, they will have their information with them. They will have access to it so the doctor will know what medications they are on, even if they are in a coma, and can make sure they are taken care of properly. And yes, it will reduce medical errors and eliminate some adverse reactions from medications or even missed medications.

So this will make a huge difference to the people of this country. The difficulty with doing something by unanimous consent is that a lot of times people think there is not much to it, or if there wasn't much controversy, that nothing really happened. But there has been controversy that has been taken care of behind the scenes, where people got together and actually realized how important this was. So they worked together to come up with solutions, and came up with a truly bipartisan solution in this instance.

So it is almost too bad that it has to go through unanimous consent, that we cannot have some very heated debates on the floor so people will realize the intensity and the interest in the bill.

But there is not anything bad about the bill. This was a teamwork effort from both sides of the aisle. I appreciate the leader mentioning a number of the people who were involved in this bill. This is a truly monumental piece of legislation we just passed, and I add the encouragement to have the House act on it quickly.

Mr. President, I rise today to applaud the Senate passage of S. 1418, the Wired for Health Care Quality Act. As chairman of the Committee on Health, Education, Labor, and Pensions, I have been working to improve the quality and reduce the cost of health care in this Nation.

Some of the most serious challenges facing health care today—medical errors, inconsistent quality, and rising costs—can be addressed through the effective application of available health information technology linking all elements of the health care system. Information-sharing networks have the potential to enable decision support anywhere at any time, thus improving the quality of health care and reducing costs.

Health IT allows medical data to move with people as they move. When they go to the doctor's office they won't have to take the clipboard and write down everything they can remember about themselves. This system also benefits travelers. If a tourist were to get in a car wreck or hurt in some other way, the doctor would be able to find out everything he or she needs to know. If in a coma this technology could save a person's life and if they happen to be on medications, it could prevent adverse drug reactions. This system could also cut down on medical errors with prescriptions—instead of deciphering the doctor's handwriting, the information could be given to the pharmacist electronically.

A RAND study recently released suggested that health IT has the potential to save $162 billion a year. In order for these savings to be realized, we must create an infrastructure for interoperability. S. 1418 is the first step in building that infrastructure.

Most folks agree that there are significant barriers to widespread adoption of interoperable health information technology. One of the primary barriers is the current lack of agreed-upon standards and common implementation guides and a certification process. This bill addresses those factors in a way that appropriately incorporates involvement of both the public and private sectors.

This legislation brings the government and the private sector together to make health care better, safer and more efficient by accelerating the widespread adoption of interoperable health information technology and quality measurement across our health care system. The legislation formalizes involvement of private entities in the standards and policy-setting process by directing the Secretary to establish and chair the public-private American Health Information Collaborative, which shall be composed of representatives of the public and private sectors. S. 1418 also codifies the Office of the National Coordinator for Health Information Technology. President Bush, Secretary Leavitt, and Dr. Brailer have done a lot to advance the health IT infrastructure, and I am glad that Congress is finally stepping up to the plate.

In order to address the health information technology ''adoption gap'' in the United States, S. 1418 authorizes three grant programs that will carefully target financial support to health care providers and consortia for the purpose of facilitating the adoption of interoperable health information technology. To maximize the Secretary of Health and Human Service's flexibility, the bill leaves to the discretion of the Secretary the allocation of the authorization among the three programs.

In addition, the greatest improvements in quality of health care and cost savings will be realized when all elements of the health care system are electronically connected and speak a common technical language—that is they are interoperable. For this reason, each grant program requires that each grant recipient acquire only qualified health information technology systems that are capable of supporting common technical standards adopted by the Federal Government.

Another barrier to widespread adoption of interoperable health information is cultural. I recognize that many physicians and hospitals are hesitant to move from paper-based systems to electronic systems. Some physicians have been writing prescriptions by hand for many years and may resist changing to electronic prescribing. One way to address this cultural barrier to the widespread adoption of health information technology is to support teaching hospitals and continuing education programs that integrate health information technology in the clinical education of health care professionals. Exposing students and residents to effective everyday uses of health IT will lead to a greater adoption by these students and residents when they graduate and begin practicing on their own. The bill authorizes the Secretary to award demonstration grants to health professions centers and academic health centers to integrate health IT into clinical education in community settings.

The issue of health IT is also critical for effective response in public health emergencies. Interoperable health IT systems will help to track infectious disease outbreaks and increase the Federal Government's rapid response in emergency situations.

I thank all of my Senate colleagues for their support of this very important legislation, which will help facilitate the widespread adoption of electronic health records to ultimately result in fewer mistakes, lower costs, better care, and greater patient participation in their health and well-being. This is a great stride forward in the journey to improve our Nation's health care system. I look forward to seeing meaningful health information technology legislation signed into law this Congress.

I would like to commend various staff for the hard work they did in bringing this bill to fruition. First, I want to recognize my fine staff from the Senate HELP Committee, who have doggedly worked with many interested parties over many months—Stephen Northrup and Katy Barr. I would also like to recognize David Bowen from Senator KENNEDY's office for his dedication to this legislation. Elizabeth Hall of Senator FRIST's office did a good job providing leadership support throughout the process. I should also mention Andrea Palm from Senator CLINTON's office and Michelle Spence with Senator ENSIGN's office for ensuring that the health care quality provisions stayed strong. Secondly, I want to recognize the work of the Senate Finance Committee and the complementary bill supporting improvements in health care quality in the Medicaid and Medicare programs that has contributed to our success today. Mark Hayes and Ted Totman from the Senate Finance Committee were very dedicated to seeing this bill pass. And finally, without the dedication and patience of Bill Baird of Senate Legislative Counsel, we would not have the bill that will pass here today.

Mr. KENNEDY. Mr. President, today the Senate has passed legislation that can help transform our health care system and save lives. The Wired for Health Care Quality Act will improve the use of lifesaving health information technology in hospitals and doctors' offices across the country. In so doing, we will improve the quality of care, lower administrative costs, and reduce medical errors.

This legislation is being considered by the Senate because of the leadership and commitment of the chairman of our Health Committee, Senator ENZI. He made health information technology a priority for our committee, and he has guided this legislation to the Senate floor. Successful legislation takes creative thinking and hard work—and Senator ENZI has supplied an abundance of both to this measure.

I also thank our partners in this legislation, Senator FRIST and Senator CLINTON. As a surgeon, Senator FRIST knows firsthand the importance of making sure that doctors have the information they need to provide the best possible care for patients—and that they get that information in time for it to be of value. It is inconceivable that in the 21st century, doctors are asked to treat patients in life or death situations without knowing their medical histories or even the medications they are taking—but that happens every hour of every day in hospitals and emergency rooms around the country. Senator FRIST has been tireless in his commitment to correcting this unacceptable situation.

Senator CLINTON has done an excellent job as well. She has championed better studies of the comparative effectiveness of medications, she is dedicated to improving the quality of care for every patient, and this legislation owes much to her ability and commitment.

This legislation is urgently needed, because we live in a new era of medical miracles and rapid changes in medicine.

Modern electronics have given doctors implantable pacemakers to save patients from sudden cardiac failure.

The sequencing of the human genome offers extraordinary opportunities for new cures and better treatments.

But there is another medical miracle to add to the list.

Modern information technology can transform health care as profoundly as any of these discoveries.

We have a moral responsibility to make the miracles of modern medicine available to every American—but we have failed to meet that responsibility. Costs are crushing our health care system. Premiums are going through the roof. The ranks of the uninsured grow every day. Families are forced to choose between paying the cost of health care or paying for food, rent, and college tuition. That is not the American dream.

Information technology alone can't solve these problems, but it can help substantially. Electronic medical records. Software to warn if a treatment could harm a patient. Computer prescribing. These and many other applications of information technology can save lives and dramatically reduce costs.

Despite the wonders of modern medicine, too many patients today are harmed by preventable mishaps. They waste hours and face new risk when tests must be duplicated, because a crucial record is locked in another archive. Too many doctors only guess at the right course of treatment, because they don't know a patient's medical history. Millions of patients are needlessly put at risk, and billions of dollars are wasted.

When so many Americans are already struggling to afford health care for their families, it is profoundly wrong to squander more than half a trillion dollars each year on administrative expenses.

The Department of Health and Human Services estimates that better use of information technology will save $140 billion every year. Such savings would produce a technology dividend worth over $700 on the cost of an average family's insurance policy. That is like getting 1 month free every year.

Other nations are already using this extraordinary technology to cut costs and save lives—but America lags behind. We can't continue to allow the high cost of health care to price American goods and services out of the global marketplace.

The need to invest in this technology is urgent. In the words of Secretary Leavitt, ''Every day that we delay, lives are lost.'' The time to act is now. The bill before us will improve care, save lives and make health care more affordable for every American.

The need to reduce medical errors is especially urgent. It is already 6 years since the Institute of Medicine reported that medical errors cause 98,000 deaths every year. According to the National Patient Safety Foundation, 42 percent of Americans have been affected by a medical error, either personally or through a friend or relative. One out of every three of those affected said that the error had a permanent negative effect on the patient's health. The exact figures may be the subject of debate, but it is undeniable that preventable deaths occur in our health care system all too often. For even one patient to die needlessly in our health care system ought to be unacceptable.

Our response should be broad based. New technology, new ideas, aud new ways of practicing medicine all have a role in improving the quality of care and saving lives. We no longer expect airline pilots to navigate by looking at the stars or local landmarks. Engineers no longer rely on slide rules to design strong buildings. In virtually every field except medicine, professionals use computers to expand their skills. Yet in medicine, we expect doctors to keep in their heads the possible interactions of the dozens of medications that a patient may be receiving. Under these circumstances, the wonder is not that errors occur, but that they don't occur even more frequently.

The evidence that information technology can save lives is undeniable. In terms of drug safety alone, a recent analysis by the RAND Corporation estimates that by using computerized data, the nation could prevent 2.2 million adverse drug events, and 1 million additional days in the hospital.

What we have today, in the words of the Institute of Medicine, is a ''quality chasm.'' Doctors repeat tests that have already been performed. Residents take medical histories that have already been taken. Patients show up for doctor's appointments that are essentially a waste of time because the tests have been performed but the results have not yet been delivered.

Information technology can help close this gap by improving the coordination of care, providing guidance on the best methods of care and reminding busy physicians when it's time to schedule preventive screenings. The Veterans Administration is a national leader in using IT to improve quality, and patients get better preventive services there than almost any other patient group in America gets, especially in areas such as proper cholesterol screening, eye exams for diabetic patients, and proper immunization against pneumonia.

Electronic medical records improve the quality of care, and can also improve our ability to monitor drug safety, detect outbreaks of disease before they become epidemics and decide which treatments are most effective for patients.

Electronic medical records can be critical in a natural disaster. The devastation of Hurricane Katrina was

compounded because most hospitals kept their records on paper. As a result, medical histories of tens of thousands of hurricane survivors were irretrievably lost. It would be inexcusable if we didn't make the investments needed for the nation to benefit from these innovations.

Information technology doesn't simply improve the quality of care—it reduces costs as well. According to the Institute of Medicine, each prescription error that is prevented saves $4,000 in additional care. This isn't just a theory. Since 1996, when the Veterans Administration began investing significantly in information technology, its costs per patient have actually decreased by 7 percent while private sector costs per patient have increased by 62 percent.

Excessive administrative costs are weighing down our health care system. We are spending over $500 billion a year on such costs—nearly 33 cents out of every health care dollar. These already high costs are also growing 50 percent faster than other health costs. It can cost as much as $20 to process a single insurance claim using antiquated paper records—and nearly half the 18 billion insurance claims in America are still settled in this old-fashioned way every year. We know that paper-based records are prone to error. About one in four health insurance claims is initially rejected because of errors. By contrast, in the financial industry, only 1 in 10,000 ATM transactions has an error.

Despite clear evidence that health IT saves lives and cuts costs, its use is still scandalously low. Our health care system should be the envy of the world, but nations from Australia to Scandinavia are outpacing us in this technology. In Sweden and Holland, nine out of ten primary care physicians use electronic medical records. In Britain, Austria, Finland and many other nations, it is over half. But in the United States, less than a quarter of all doctors use electronic medical records.

Obviously, there are significant barriers to the adoption of health information technology that Congress should also address. Many providers don't have the financial ability to absorb the costs of buying the equipment, making the transition to computer systems, and training staff. It costs a physician's office $30,000 and significant aggravation to install the system. The savings from its use tend to come over the longer term, while the costs are immediate, which is a major financial barrier to hospitals, physicians, and nursing homes already drowning in red ink. Providers get savings over the long run, but the largest share of the savings goes to payers, not providers. If a diabetic is kept out of the hospital by better management of his condition as the result of information technology, that's a loss of revenue to the hospital.

This bipartisan legislation will help overcome these barriers. It requires the development of standards on interoperability and other technical measures for health information technology, and it establishes a public-private consultation to develop those standards.

But standards without Federal resources are not enough to achieve the goal of a modern health care system that we all share. That is why the legislation includes financial assistance to hard pressed providers to meet the technical standards. It provides this assistance in three ways in recognizing the fact that different health care providers and different communities will have different needs. It authorizes direct grants to needy providers. It authorizes financial assistance to establish regional networks. And it creates an innovative Federal-State, public-private partnership to modernize health care by enabling states to fund low interest loans to help health professionals in financial need to acquire the technology to improve the quality and efficiency of health care.

Getting the right hardware and software into the hands of doctors is only half the battle. It is also essential to see that doctors have access to the knowledge necessary to make the technology a success. The legislation establishes a Best Practices Center where technology users can learn from the experience of others who have established such networks. It sets up a Help line at the Department of Health and Human Services to answer technical questions and help meet technical requirements. To assist doctors in sorting through the confusing array of options for this technology, the legislation establishes a certification program, so that providers can quickly determine whether particular systems meet the applicable technical standards.

There are many Senate colleagues who deserve great credit for their thoughtful contributions to this legislation and for their leadership in getting to this moment.

Again, I commend the chairman of our Health Committee, Senator ENZI, for his impressive leadership on this issue. It has been a privilege to work closely with him and his staff since the beginning of this year and to deal with this priority.

The pending legislation combines the bill that Chairman ENZI and I introduced and the bill that Senator FRIST and Senator CLINTON introduced. We have also had broad input from many other committee members, and we have produced a better bill because of it.

Senator DODD was a leader on the issue in the last Congress as well, and our bill includes many of his ideas, especially on making sure that standards are widely available.

Senator ENSIGN made sure that best practices are front and center in implementing this technology.

Our subcommittee chairman, Senator BURR, has a strong interest in using information technology to improve our ability to respond to bioterrorist attacks or other disease emergencies, when lost hours can mean countless lost lives.

Senator REED of Rhode Island had the innovative idea of including a 1–800 number to help providers on technical questions. Senator HARKIN contributed important proposals to use the technology to improve the treatment of chronic diseases.

Senator REID of Nevada has shown impressive leadership in making sure technology improves the lives of American families, and I thank him for his strong support.

Senator SNOWE and Senator STABENOW have a major commitment to effective funding for this technology, and I look forward to working with them on this issue in the days to come. I also commend Senator SNOWE for her strong commitment to protecting the privacy of electronic medical data.

I also commend Steve Northrup and Katy Barr of Senator ENZI's staff, Andrea Palm of Senator CLINTON's staff, Liz Hall of Senator FRIST's staff, and my own health staff, for their effective work on this issue for so many months.

I thank these and all our Senate colleagues who contributed to the legislation we consider today. I look forward to working with all of you and with our colleagues in the House to see this needed measure signed into law as soon as possible.

Mr. ENZI. Mr. President, I rise today to speak about the passage of 1418, the Wired for Health Care Quality Act. As chairman of the Committee on Health, Education, Labor, and Pensions, I have been working to improve the quality and reduce the cost of health care in this Nation. I commend the ranking member of my committee for his dedication to this great cause.

I want to commend my colleague from Maine, Senator SNOWE, and my colleague from Michigan, Senator STABENOW, for their leadership on the issue of health information technology. They have made a major contribution to the debate, and I look forward to working with them as we continue to consider this important issue.

I see the legislation we consider today as the first step toward more effective use of information technology in health care. This proposal will provide the framework to improve the use of health IT. Senator SNOWE and Senator STABENOW have several thoughtful proposals on providing additional financial incentives through Medicare for the use of health information technology.

Providing adequate funding for health IT is a critically important issue, and I believe that it should be carefully considered in our committee and by the Senate. I look forward to working with my colleagues on the committee and with Senator SNOWE and Senator STABENOW to see that health IT receives an appropriate level of funding.

I also believe it is important to examine carefully the privacy protections that apply to individually identifiable health information maintained in electronic databases. The manager's amendment to S. 1418 contains several important provisions relating to privacy, including a GAO investigation on methods to enhance privacy protections for electronically stored and transmitted health information.

I believe it is important to examine the issues surrounding implementation and adoption of health IT systems carefully. To that end, I intend to hold a hearing by the Memorial Day recess next year on the essential issue of funding to promote wide adoption of health information technology. We will also examine the report of the GAO to address the critical issue of protections for the privacy of health information that must be part of health IT systems and practices. I will work closely with my colleagues, Senator SNOWE and Senator STABENOW, as well as with the ranking member on this hearing.

I will also work with the Finance Committee, the committee with jurisdiction over Medicare, and with Senators STABENOW and SNOWE on legislation to spur the widespread adoption of interoperable health information technology through such innovative financing mechanisms, and we will work to achieve passage of that legislation before the end of this Congress.

I happen to be an original sponsor of legislation in the Finance Committee to reward high-quality health care through value based purchasing under Medicare. By rewarding doctors and hospitals for the quality of care they provide, not just the quantity of care, we can improve health care quality in a fiscally responsible way.

I look forward to working with Senators KENNEDY, GRASSLEY, BAUCUS, SNOWE, STABENOW, FRIST, and CLINTON on these important proposals, and I commend them for their leadership on this important field of health IT.

Mr. KENNEDY. I thank the distinguished chairman of our Health Committee for his impressive leadership on the issue of health information technology. Health information technology can revolutionize health care, with lasting benefits in areas from improving quality to better detection of bioterrorist attacks and epidemics.

I also commend my colleagues, Senator STABENOW and Senator SNOWE, for their commitment to seeing that we provide adequate financial support for doctors and hospitals to use health information technology systems. I will work closely with them, and with our chairman and our colleagues on the health committee, to see that we build on the legislation under consideration today in order to assist health care providers to meet the cost of acquiring health IT.

Senator SNOWE and Senator STABENOW have made a major contribution to our debate, and I look forward to working with them on additional proposals on this important issue in the very near future.

Ms. SNOWE. Mr. President, I want to commend Senators ENZI, KENNEDY, FRIST, and CLINTON for their work in addressing the inadequate state of our individual health records today. The Wired for Health Care Quality Act will accelerate the development of essential standards to protect investment in health information technology. Very soon the Federal Government will require compliance with these standards for its purchases—a long overdue step in modernizing health care information management.

I began work with on this issue in the last Congress when we learned from the Institute of Medicine that an estimated 98,000 Americans die each year as a result of medical errors. Technology can help us prevent these deaths and injuries from medical mistakes. That is one reason I joined with Senator STABENOW to assure that we implement live saving technology.

A second reason for our work is that information technology, IT, will help us reduce the cost of health care. As health care costs increase far more rapidly than inflation, care becomes less affordable and the ranks of the uninsured grow. Each of us appreciates that technology will help us reduce that unsustainable trend. Recent reports demonstrate that the cost of implementing health IT is exceeded by a single year of savings. That is a remarkable return on investment, but since an estimated 89 percent of savings accrues to payers, not providers, standards alone will not spur adoption.

Since the rewards for adoption primarily accrue to payers and patients, it is wholly appropriate that payers—including the Federal Government—act in their best interest to reduce costs. That means we must ensure adoption not just by those providers for whom investment is relatively easy, but by those with lesser resources, such as the many who provide care for our Medicare, Medicaid, and SCHIP beneficiaries. I look forward to working with my colleagues to see that we implement financing—including grants and tax incentives—to allow all providers to adopt this promising technology. Otherwise we will see a two-tiered system develop.

If some patients do not receive the benefits of the electronic health record the President has set as a goal, their care will suffer. In fact, if their providers cannot adopt technology, their clinical data may not be not properly integrated in pay-for-performance methodologies. If the resulting criteria don't account for such patients, they then pose the risk of inadequate compensation to providers, and many may decline to serve them. So it is critical that we assure all providers can adopt health IT.

I thank Chairman ENZI and the Senator KENNEDY for their commitment to a hearing next spring on the adoption and financing issue. I also thank the majority leader for his assistance. The issue of adoption certainly multiple committees, and we appreciate his efforts in helping the full Senate to consider promising financing proposals to assure broad adoption.

As we move forward together, we should also remember to follow the physician's adage—certainly one the leader knows so well—to ''first do no harm''. We are all agreed that genetic information, which may indicate probability of disease, must be protected. One's medical record includes even more than probability—it is indisputable evidence of the presence of disease, the drugs one uses, your full physical and mental health history. Consequently, Americans are worried about their health records. A recent survey demonstrates that two-thirds of all consumers have substantial concerns about the privacy of their medical records. The same proportion say that recent reports of privacy breaches have actually increased these concerns. So it comes as no surprise that consumers engage in behaviors to avoid such data from even being created—such as paying out-of-pocket for medical expenses, using a different physician on occasion, or simply asking that vital information not be included in their chart. Patients even forgo treatment altogether in fear of disclosure. This compromises health, so we simply must provide Americans with confidence in the security of their health record.

We simply must have the highest levels of data security. So first we must see procedures established to assure that inappropriate disclosure does not occur. Next, if a data breach does occur, the patient must be informed. To do otherwise is unconscionable.

I am pleased to see that the managers amendment requires such notification for those handling data under the programs established by this legislation, and the bill also establishes a process to address concerns on medical data privacy by directing a GAO study to guide us in providing the assurance all Americans must have that their medical data is protected. I thank my colleagues for including these essential provisions.

Today marks the beginning of a process to offer all Americans a safer, more affordable system of health care. I look forward with Senator STABENOW to working with the majority leader and Senators ENZI, KENNEDY, and CLINTON, as well as Senators GRASSLEY and BAUCUS, as we move forward to realizing the full potential of health IT become reality for our constituents. The rewards in lives and dollars saved compels us to act promptly.

Ms. STABENOW. Mr. President, I want to commend the leadership of Senators ENZI, KENNEDY, FRIST, and CLINTON in this critically important arena. Their diligent work in introducing and passing S. 1418 establishes the groundwork necessary to begin to realize the promises of health information technology, IT.

The evidence showing the ability of health IT to reduce costs and improve quality of care is simply overwhelming. Dr. David Brailer's office attributes savings from widespread adoption of electronic health records in the range of 7.5 percent to 30 percent of annual health care spending that is between $135 and $540 billion annually.

Manufacturers in Michigan and across the country are struggling to remain competitive in a global market with skyrocketing health care costs. Health IT can, and should, play a key role in managing these costs.

Equally compelling is the promise health IT holds for improving the quality of our health care system by ensuring that patients get the care they need, at the right time, and in the best setting.

To realize these promises, however, Congress must enact legislation providing meaningful resources through Federal financial incentives, both mandatory grants and tax incentives, to physicians, hospitals, skilled nursing facilities, and community health and mental health centers for health information technology.

Health care providers are struggling to keep up with their daily needs at the same time they are anticipating cuts in their rates. A major barrier to widespread use of IT is the initial investment cost: the costs of procuring and implementing health IT can be staggering.

Every day we delay providing Federal seed money through a grant program and accelerated depreciation of health information technology expenses, we delay getting health information technology systems in place, and businesses, taxpayers and patients pay in both dollars and lives.

I appreciate the majority leader's commitment to encourage the chairman and ranking member of the Finance Committee and the chairman and ranking member of the HELP Committee to schedule, at the earliest opportunity, consideration of legislative proposals to ensure federal funding to accelerate adoption of health IT.

A meaning Federal investment must be robust, funded with mandatory, rather than discretionary, dollars, and available to individual providers and health care systems.

This is not the place to skimp on dollars; we know every dollar we spend will come back to us many times over. Federal investments, through grants and tax incentives, in health information technology will result in lower Medicare, Medicaid and SCHIP spending, reduced medical errors, and greater quality and efficiency in our health care system. We must provide a level of funding that will allow a significant percentage of our health care providers to adopt and use health IT systems. Additionally, funding must not be limited to authorizations of appropriations. We must actually provide the dollars needed to begin realizing the benefits of health IT.

Nor should we limit funds to providers in networks. We should work towards a system where all health care providers are linked, but we do not need to wait for those networks to be formed to see the benefits of health IT. Standalone e-prescribing systems could reduce medication errors by 50 percent; there is no reason to delay the quality, safety, and financial savings possible through immediate health IT adoption by individual providers.

In addition to funding, we must pay careful attention to privacy and confidentiality rights and concerns. A patient's right to health information privacy is paramount, and an essential component of the health care provider-patient relationship. According to a survey recently released by the California HealthCare Foundation, CHCF, 67 percent of Americans remain concerned about the privacy of their personal health information. The survey also reports that many consumers may be putting their health at risk by avoiding their regular doctor or forgoing needed tests over privacy concerns. Apprehension over privacy and confidentiality, if not addressed thoughtfully, could pose enormous barriers to the savings and health care improvements possible through adoption of health information technologies. Strong, enforceable privacy safeguards based on a patient's right to health information privacy are absolutely critical as we move towards a nationwide, interoperable electronic health care system.

I appreciate provisions included in the managers' amendment addressing the need for patients to be notified if their individually identifiable health information is wrongfully disclosed and a study by the General Accounting Office examining the issue as it relates to all Americans.

I look forward to working with the majority leader, and Senators SNOWE, ENZI, KENNEDY, and CLINTON, as well as Senator GRASSLEY and BAUCUS to ensure passage of legislation this Congress providing meaningful, substantial Federal financial incentives to accelerate adoption of life and dollar saving health information technologies.

Mr. FRIST. Mr. President, I am pleased to speak in support of S. 1418. I share an important goal with Senators ENZI, KENNEDY, SNOWE, STABENOW, and CLINTON—to improve health care quality and reduce costs through the use of health information technology tools.

I spent 20 years as a physician and heart surgeon before coming to the Senate. Like most physicians, I wanted the latest and best medical technology, anything that could make my patients healthier or more comfortable, while reducing health care costs and increasing efficiency.

But amidst the artificial heart assist devices, lasers, CT Scan machines, endoscopic devices, digital X-Rays, and digital thermometers, doctors today keep patient records the same way I did and the way my father did 50 years ago: on paper, in manila folders in file cabinets, in the basements of clinics and hospitals. Yet computers, and computer technology, is everywhere, both inside and outside the hospitals and clinics. From bedside monitors to massive MRI machines, computers power almost all of the diagnostic devices we rely on.

S. 1418 represents an important and crucial first step towards recognizing the importance of computers and the electronic medical record in contemporary health care. Establishing interoperability of the electronic medical record, an essential hurdle towards effective use of health information technology, is a priority. Proposals for providing Federal financial incentives for physicians, community health centers, community mental health centers, hospitals and skilled nursing facilities like that introduced by Senator SNOWE and Senator STABENOW need to be considered.

Assuring proper funding of health IT is an issue of major importance for the Senate to consider in the coming congressional session. I will work with the chairman and ranking member of the Finance Committee and the chairman and ranking member of the HELP committee as well as Senators SNOWE and STABENOW to encourage these committees to schedule, at the earliest opportunity, consideration of legislative proposals to ensure creative and reasonable Federal funding for such an important and relevant mission. I will also work with relevant committees to encourage consideration of legislation that would enable providers to connect to a secure, interoperable network for the electronic exchange of health information.

Mrs. CLINTON. I would like to commend Chairman ENZI and Senator KENNEDY for all of their work on this legislation. I would also like to recognize the commitment and leadership of the majority leader, who I have been working closely with on this issue. Today's passage of S. 1418, the Wired for Health Care Quality Act, is a fundamental first step in establishing a nationwide, interoperable health IT infrastructure.

Our legislation provides the framework and authorizes several grant programs to begin the process of funding health IT projects that are compliant with the framework established in the bill. The legislation introduced by Senators SNOWE and STABENOW and their work more broadly on this issue will be critical as we work on additional financing mechanisms. I am anxious to begin that work and am committed to working closely with them, and my colleagues on the HELP and Finance committees to ensure that physicians and hospitals are able to afford to participate in a 21st century health care system.

Mr. ENZI. I see this bill as the first step of many in improving the health care in the United States. I look forward to working with my friends on the Finance Committee as well as

working with Senators SNOWE and STABENOW to look at creative financing mechanisms to help doctors and hospitals go on line.

Mr. FRIST. Mr. President, in closing our comments on this bill, I also thank my staff who have been shepherding this for me for the last 3 years, Liz Hall, Jennifer Romans, and many others. The real significance is that patient care will be improved. It will get the waste and abuse out of the system. It makes the health care system more efficient. I am excited about it. Having interoperable standards that people begin to agree with means you will have an influx of private capital which will help with the spreading of this information technology infrastructure over time.

TERRORISM RISK INSURANCE EXTENSION ACT OF 2005

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 287, S. 467.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 467) to extend the applicability of the Terrorism Risk Insurance Act of 2002.

There being no objection, the Senate proceeded to consider the bill which had been reported from the Committee on Banking, Housing, and Urban Affairs with an amendment, as follows:

(Strike the part shown in black brackets and insert the part shown in italic.)

S. 467

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 ''Terrorism Risk Insurance Extension Act of 2005.''.

[SEC. 2. EXTENSION OF TERRORISM RISK INSURANCE PROGRAM.

[(a) EXTENSION OF PROGRAM YEARS.—Section 108(a) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note, 116 Stat. 2336) is amended by striking ''2005'' and inserting ''2007''.

[(b) CONTINUING AUTHORITY OF THE SECRETARY.—Section 108(b) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note, 116 Stat. 2336) is amended by striking ''arising out of'' and all that follows through ''this title''.

[SEC. 3. CONFORMING AMENDMENTS.

[(a) DEFINITIONS.—

[(1) PROGRAM YEARS.—Section 102(11) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note, 116 Stat. 2326) is amended by adding at the end the following:

''[(E) PROGRAM YEAR 4.—The term 'Program Year 4' means the period beginning on January 1, 2006 and ending on December 31, 2006.

''[(F) PROGRAM YEAR 5.—The term 'Program Year 5' means the period beginning on January 1, 2007 and ending on December 31, 2007.

''[(G) OTHER PROGRAM YEARS.—Except when used as provided in subparagraphs (B) through (F), the term 'Program Year' means, as the context requires, any of Program Year 1, Program Year 2, Program Year 3, Program Year 4, or Program Year 5.''.

[(2) INSURED LOSSES.—Section 102(5) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note, 116 Stat. 2324) is amended—

[(A) by inserting ''on or before December 31, 2007, as required by this title,'' before ''if such loss'';

[(B) by striking ''(A) occurs within'' and inserting the following:

''[(A) occurs on or before the earlier of the expiration date of the insurance policy or December 31, 2008; and

''[(B) occurs—

''[(i) within''; and

[(C) by striking ''occurs to an air carrier'' and inserting the following:

''[(ii) to an air carrier''.

[(3) CONFORMING AMENDMENTS.—Section 102 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note, 116 Stat. 2323) is amended—

[(A) in paragraph (1)(A)(iii)(I), by striking ''(5)(B)'' and inserting ''(5)(B)(ii)''; and

[(B) in paragraph (4), by striking ''subparagraphs (A) and (B)'' and inserting ''subparagraph (B)''.

[(b) APPLICABLE INSURER DEDUCTIBLES.—Section 102(7) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note, 116 Stat. 2325) is amended—

[(1) in subparagraph (D)—

[(A) by inserting ''and each Program Year thereafter'' before '', the value''; and

[(B) by striking ''preceding Program Year 3'' and inserting ''preceding that Program Year''; and

[(2) in subparagraph (E), by striking ''for the Transition'' and all that follows through ''Program Year 3'' and inserting the following: ''for the Transition Period or any Program Year''.

[(c) CONTINUATION OF MANDATORY AVAILABILITY.—Section 103(c)(1) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note, 116 Stat. 2327) is amended—

[(1) by striking ''last day of Program Year 2'' and inserting ''termination date established under section 108(a)''; and

[(2) by striking the paragraph heading and inserting ''IN GENERAL.—''.

[(d) DURATION OF POLICIES.—Section 103(c) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note, 116 Stat. 2327) is amended—

[(1) by redesignating paragraph (2) as paragraph (3); and

[(2) by inserting after paragraph (1) the following:

''[(2) MANDATORY DURATION.—Coverage for insured losses required by paragraph (1) under a policy issued at any time during Program Year 5 shall remain in effect for not less than 1 year following the date of issuance of the policy, except that no loss occurring after the earlier of the expiration date of the subject insurance policy or December 31, 2008, shall be considered to be an insured loss for purposes of this title.''.

[(e) INSURED LOSS SHARED COMPENSATION.—Section 103(e) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note, 116 Stat. 2328) is amended—

[(1) in paragraph (2)(A), by striking ''ending on'' and all that follows through ''Program Year 3'' and inserting ''ending on the termination date established under section 108(a)''; and

[(2) in paragraph (3), by striking ''ending on'' and all that follows through ''Program Year 3'' and inserting ''ending on the termination date established under section 108(a)''.

[(f) AGGREGATE RETENTION AMOUNT.—Section 103(e)(6) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note, 116 Stat. 2328) is amended—

[(1) in subparagraph (B), by striking ''and'' at the end;

[(2) in subparagraph (C), by striking the period at the end and inserting a semicolon; and

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

''[(D) for Program Year 4, the lesser of—

''[(i) $17,500,000,000; and

''[(ii) the aggregate amount, for all insurers, of insured losses during such Program Year; and

''[(E) for Program Year 5, the lesser of—

''[(i) $20,000,000,000; and

''[(ii) the aggregate amount, for all insurers, of insured losses during such Program Year.''.

[SEC. 4. COVERAGE OF GROUP LIFE INSURANCE.

[Section 103 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note, 116 Stat. 2327) is amended by striking subsection (h) and inserting the following:

[''(h) APPLICABILITY TO GROUP LIFE INSURANCE.—

[''(1) IN GENERAL.—The Secretary shall, by rule, apply the provisions of this title to providers of group life insurance, in the manner determined appropriate by the Secretary, consistent with the purposes of this title.

[''(2) CONSISTENT APPLICATION.—The rules of the Secretary under this subsection shall, to the extent practicable, apply the provisions of this title to providers of group life insurance in a similar manner as those provisions apply to an insurer otherwise under this title.

[''(3) CONSIDERATIONS.—In determining the applicability of this title to providers of group life insurance, and the manner of such application, the Secretary shall consider the overall group life insurance market size, and shall consider the establishment of separate retention amounts for such providers.

[''(4) RULEMAKING REQUIRED.—Not later than 90 days after the date of enactment of the Terrorism Risk Insurance Extension Act of 2005, the Secretary shall issue final regulations to carry out this subsection.

[''(5) RULE OF CONSTRUCTION.—Nothing in this subsection may be construed to affect or otherwise alter the applicability of this title to any insurer, as defined in section 102.

[''(6) DEFINITION.—As used in this subsection, the term 'group life insurance' means an insurance contract that provides term life insurance coverage, accidental death coverage, or a combination thereof, for a number of persons under a single contract, on the basis of a group selection of risks.''.

[SEC. 5. RECOMMENDATIONS FOR LONG-TERM SOLUTIONS.

[Section 108 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note, 116 Stat. 2328) is amended by adding at the end the following:

[''(e) RECOMMENDATIONS FOR LONG-TERM SOLUTIONS.—The Presidential Working Group on Financial Markets shall, in consultation with the NAIC, representatives of the insurance industry, and representatives of policy holders, not later than June 30, 2006, submit a report to Congress containing recommendations for legislation to address the long-term availability and affordability of insurance for terrorism risk.''.

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Terrorism Risk Insurance Extension Act of 2005''.

SEC. 2. EXTENSION OF TERRORISM RISK INSURANCE PROGRAM.

(a) PROGRAM EXTENSION.—Section 108(a) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2336) is amended by striking ''2005'' and inserting ''2007''.

(b) MANDATORY AVAILABILITY.—Section 103(c) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2327) is amended—

(1) by striking paragraph (2);

(2) by striking ''AVAILABILITY.—'' and all that follows through ''each entity'' and inserting

''AVAILABILITY.—During each Program Year, each entity''; and

(3) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively, and moving the margins 2 ems to the left.

SEC. 3. AMENDMENTS TO DEFINED TERMS.

(a) COVERED ACTS OF TERRORISM.—Section 102(1)(B)(ii) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2324) is amended by inserting before the period '', with respect to an act occurring before Program Year 4, $50,000,000 with respect to an act occurring in Program Year 4, or $100,000,000 with respect to an act occurring in Program Year 5''.

(b) PROGRAM YEARS.—Section 102(11) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2326) is amended by adding at the end the following:

''(E) PROGRAM YEAR 4.—The term 'Program Year 4' means the period beginning on January 1, 2006 and ending on December 31, 2006.

''(F) PROGRAM YEAR 5.—The term 'Program Year 5' means the period beginning on January 1, 2007 and ending on December 31, 2007.''.

(c) EXCLUSIONS FROM COVERED LINES.—

(1) IN GENERAL.—Section 102(12)(B) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2326) is amended—

(A) in clause (vi), by striking ''or'' at the end;

(B) in clause (vii), by striking the period at the end and inserting a semicolon; and

(C) by adding at the end the following:

''(viii) commercial automobile insurance;

''(ix) burglary and theft insurance;

''(x) surety insurance;

''(xi) professional liability insurance; or

''(xii) farm owners multiple peril insurance.''.

(2) CONFORMING AMENDMENTS.—Section 102(12)(A) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2326) is amended—

(A) by striking '', and surety insurance''; and

(B) by striking '', worker's'' and inserting ''and worker's''.

(d) INSURER DEDUCTIBLES.—Section 102(7) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2325) is amended—

(1) in subparagraph (D), by striking ''and'' at the end;

(2) by redesignating subparagraph (E) as subparagraph (G);

(3) by inserting after subparagraph (D), the following:

''(E) for Program Year 4, the value of an insurer's direct earned premiums over the calendar year immediately preceding Program Year 4, multiplied by 17.5 percent;

''(F) for Program Year 5, the value of an insurer's direct earned premiums over the calendar year immediately preceding Program Year 5, multiplied by 20 percent; and''; and

(4) in subparagraph (G), as so redesignated, by striking ''through (D)'' and all that follows through ''Year 3''and inserting the following: ''through (F), for the Transition Period or any Program Year''.

SEC. 4. INSURED LOSS SHARED COMPENSATION.

Section 103(e) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2328) is amended—

(1) in paragraph (1)—

(A) by inserting ''through Program Year 4'' before ''shall be equal''; and

(B) by inserting '', and during Program Year 5 shall be equal to 85 percent,'' after ''90 percent''; and

(2) in each of paragraphs (2) and (3), by striking ''Program Year 2 or Program Year 3'' each place that term appears and inserting ''any of Program Years 2 through 5''.

SEC. 5. AGGREGATE RETENTION AMOUNTS AND RECOUPMENT OF FEDERAL SHARE.

(a) AGGREGATE RETENTION AMOUNTS.—Section 103(e)(6) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2329) is amended—

(1) in subparagraph (B), by striking ''and'' at the end;

(2) in subparagraph (C), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(D) for Program Year 4, the lesser of—

''(i) $17,500,000,000; and

''(ii) the aggregate amount, for all insurers, of insured losses during such Program Year; and

''(E) for Program Year 5, the lesser of—

''(i) $20,000,000,000; and

''(ii) the aggregate amount, for all insurers, of insured losses during such Program Year.''.

(b) RECOUPMENT OF FEDERAL SHARE.—Section 103(e)(7) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2329) is amended—

(1) in subparagraph (A), by striking '', (B), and (C)'' and inserting ''through (E)''; and

(2) in each of subparagraphs (B) and (C), by striking ''subparagraph (A), (B), or (C)'' each place that term appears and inserting ''any of subparagraphs (A) through (E)''.

SEC. 6. LITIGATION MANAGEMENT.

Section 107(a) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2335) is amended by adding at the end the following:

''(6) AUTHORITY OF THE SECRETARY.—Procedures and requirements established by the Secretary under section 50.82 of part 50 of title 31 of the Code of Federal Regulations (as in effect on the date of issuance of that section in final form) shall apply to any cause of action described in paragraph (1) of this subsection.''.

SEC. 7. ANALYSIS AND REPORT ON TERRORISM RISK COVERAGE CONDITIONS AND SOLUTIONS.

Section 108 of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2336) is amended by adding at the end the following:

''(e) ANALYSIS OF MARKET CONDITIONS FOR TERRORISM RISK INSURANCE.—

''(1) IN GENERAL.—The President's Working Group on Financial Markets, in consultation with the National Association of Insurance Commissioners, representatives of the insurance industry, representatives of the securities industry, and representatives of policy holders, shall perform an analysis regarding the long-term availability and affordability of insurance for terrorism risk, including—

''(A) group life coverage; and

''(B) coverage for chemical, nuclear, biological, and radiological events.

''(2) REPORT.—Not later than September 30, 2006, the President's Working Group on Financial Markets shall submit a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives on its findings pursuant to the analysis conducted under subsection (a).''.

Mr. SHELBY. Mr. President, I rise today in support of S. 467, the Terrorism Risk Insurance Extension Act of 2005, introduced by my colleagues on the Banking Committee, Senators DODD and BENNETT and reported out unanimously by the Banking Committee.

In the wake of the events of September 11, Congress passed the Terrorism Risk Insurance Act, also known as ''TRIA.'' The law was intended to ensure the continued availability and affordability of property and casualty insurance for terrorism risk, and to provide for a transitional period to allow private markets to stabilize.

At this point in time, it seems that this program has largely achieved both of its stated objectives. Over the last 3 years, the property and casualty insurance market has rebounded and is now far more profitable and competitive. Indeed, despite the enormous losses incurred as a result of the hurricanes, insurer capital has grown tremendously and now greatly exceeds pre-September 11 levels.

While the private insurance markets have made tremendous strides during the course of the TRIA program, however, the private insurance marketplace has not yet entirely stabilized.

As a result, without some form of backstop, it is very likely that there would be gaps in some terrorism insurance coverage.

S. 467 extends the TRIA program and addresses this market dysfunction. Additionally and importantly, it also recognizes the positive developments in the insurance markets and contains reforms to the original law intended to require more private sector responsibility and to facilitate further recovery in the insurance markets. It strikes the proper balance between ensuring that terrorism insurance remains available and affordable, while also protecting the American taxpayer.

I note that I did not support enactment of TRIA when it was first considered 4 years ago. My reservations were based on concerns about the Government intruding into private markets. While my concerns are not entirely diminished, I believe that the Banking Committee has produced a responsible, targeted product that will help the marketplace smoothly transition to efficient function.

This bill, this bipartisan compromise package, could never have been achieved without the cooperation and commitment of the members of the Banking Committee. Specifically, I commend Senators DODD and BENNETT, the original cosponsors of this bill, for their leadership, their effort and their willingness to work together. I also thank Senator SARBANES, who, in his usual manner, was extremely helpful to achieving this result.

Additionally, I thank the various staffers whose hard work behind the scenes helped get this bill done. Particularly, I want to commend the efforts of Alex Sternhell from Senator DODD's staff, Sarah Kline and Steve Harris from Senator SARBANES's staff, Mike Nielsen from Senator BENNETT's staff, and Jim Johnson, Andrew Olmem, Mark Oesterle and Kathy Casey from my staff.

Mr. SARBANES. Mr. President, I join my colleagues in support of the Terrorism Risk Insurance Extension Act of 2005. Three years ago, we passed the Terrorism Risk Insurance Act to stabilize the insurance marketplace after the shock of the September 11 attacks. TRIA, as that Act became known, established a partnership between the insurance industry and the Federal Government to share the risk of significant losses from terrorism. TRIA is scheduled to expire at the end of this year. The bill that is now pending before the Senate would extend TRIA for an additional 2 years while requiring the insurance industry to take on progressively more of the terrorism risk.

This bill is the product of a great deal of effort by the Banking Committee to accommodate the widely differing views of many members on the structure of a TRIA extension. I thank the chairman of the Committee, Senator SHELBY, for his willingness to reach across the aisle in developing this bill. Under his skillful guidance, we have been able to develop a product that has won unanimous support in the Banking Committee. I also want to recognize Senator DODD for his dedication to this issue. He was instrumental in 2002 in the development and passage of the original TRIA legislation, and he has been a strong and effective leader this year as well.

The original TRIA was designed to address the adverse impact on the terrorism insurance marketplace of the sudden lack of terrorism reinsurance after the September 11 attacks. Reinsurance is a mechanism by which insurance companies spread their own risks, allowing them to write more policies. Without it, insurers' capacity to offer coverage for losses due to terrorism shrank considerably. By all accounts, the Federal backstop provided by TRIA achieved its goal of making terrorism insurance coverage available and affordable once again. The Treasury Department reported this summer, ''TRIA was effective in terms of the purposes it was designed to achieve. TRIA provided a transitional period during which insurers had enhanced financial capacity to write terrorism risk insurance coverage. . . . More generally, TRIA provided an adjustment period allowing both insurers and policyholders to adjust to the post-September 11th view of terrorism risk.''

As discussions began over a possible extension of TRIA, it became clear that there are serious disagreements as to what would be the most efficient, effective, and equitable way to assure the continued availability of terrorism insurance. A number of studies have concluded that the reinsurance market has not rebounded to any great extent since the attacks of 2001. These studies conclude that if the backstop provided by the Federal Government does not continue, insurers will write fewer terrorism policies or charge much higher prices for them, creating a drag on our nation's economy and leaving companies uninsured against a terrorist attack. On the other hand, the administration and others argue that the insurance industry is now better prepared to handle the risk of terrorism than it was three years ago, and that any extension of TRIA should therefore be significantly narrower than the current program to avoid crowding out additional private sector activity.

These are issues that deserve careful analysis, which is why this extension bill contains a requirement for a study by the President's Working Group on Financial Markets on the long-term availability and affordability of terrorism risk insurance. I hope that this requirement will result in a thorough examination of the issues which will help us answer the question of how to insure against terrorism over the longterm.

To allow time for that examination to take place, the pending legislation continues the TRIA program for two additional years, with certain modifications, which I will briefly summarize.

This bill narrows the scope of the TRIA program, further targeting the program toward the types of terrorism insurance that are the most difficult to provide. Under the terms of the extension, the Federal backstop will no longer be available for insurance policies covering commercial automobiles, professional liability, burglary and theft, farmowners' multiple peril, and surety.

Just as the original TRIA did, this exteusion places more of the risk on the insurance industry, and correspondingly less on the federal government, in each year. For example, in 2005, under the current program, the amount of terrorism losses that an insurer must cover before Federal assistance becomes available is 15 percent of the premiums collected by that insurer in lines covered by the TRIA program. Under this extension, this ''insurance company deductible'' will rise to 17.5 percent of premiums in 2006, and 20 percent of premiums in 2007. Moreover, the amount that insurers must pay above their deductible also increases, rising from 10 percent of losses in 2006, to 15 percent of losses in 2007.

In addition to the individual insurance companies' deductible, tbe insurance industry as a whole must cover a certain amount of losses before federal assistance becomes available. In 2005, the last year of the current TRIA program, that amount is $15 billion. Under this legislation, that will rise to $17.5 billion in 2006, and $20 billion in 2007.

Also, starting in 2006, no Federal assistance will be available at all under tbe program for a terrorist attack in which total losses do not exceed $50 million, a level which rises to $100 million in 2007.

Finally, I want to emphasize that the extension retains a critically important piece of the current TRIA program: the requirement that insurers make terrorism coverage available to policyholders in all of the lines covered by TRIA.

These provisions follow the framework of the existing TRIA program, keeping the Federal backstop in place so that insurers will continue writing terrorism policies, while placing progressively more of the costs onto the industry itself. I want to take just a moment to acknowledge the hard work that the staff has put into this bill, particularly Sarah Kline from my Banking Committee staff, Alex Sternhell with Senator DODD, Kathy Casey and Mark Oesterle with Chairman SHELBY, and Mike Nielson with Senator BENNETT. As with any compromise product, no one would say that the legislation is perfect. But it is a serious effort to address the concerns we have heard raised regarding TRIA and the potential effects of its expiration, and I urge my colleagues to join me in supporting it.

Mr. REID. Mr. President, yesterday the Senate Banking Committee reported the Terrorism Risk Insurance Extension Act of 2005, and I look forward to the full Senate passing this legislation that is so vital to the economic well-being of this country.

In 2002 I cosponsored, and Congress passed, the Terrorism Risk Insurance Act, commonly referred to as TRIA. This important legislation provided a Government backstop for the terrorism insurance market that disappeared after the attacks of September 11.

The primary purpose behind TRIA, and the reason it needs to be extended, is to make sure that the American economy and markets function in the face of a terrorist threat. September 11 proved that there needs to be a mechanism in place to allow the economy to rebound more quickly and to protect American jobs in the unfortunate event of another terrorist attack here in the United States. Since it became law, TRIA has proven to be an effective program that has made terrorism risk insurance available and provided businesses meaningful access to coverage in a post-9/11 world.

TRIA is a temporary program set to expire at the end of this year, which created significant uncertainty in the terrorism insurance market and threatened to stall construction and building projects across the country. Most lenders who finance these projects require borrowers to have terrorism risk coverage, but in the face of TRIA's looming expiration, that coverage became more difficult and expensive to get, making those projects infeasible. Recognizing these problems early in the year, Senator DODD and Senator BENNETT drafted TRIA extension legislation, which I cosponsored.

Mr. President, although slightly different from the bill that Senator DODD introduced earlier this Congress, and that I and other Democrats cosponsored, the legislation that passed out of the committee yesterday essentially maintains the structure of TRIA and extends the program through the end of 2007. I am disappointed that group life insurance will not be covered under the program and that other lines originally covered have been excluded. But my colleagues, Senators DODD, SARBANES, SHELBY, and BENNETT, worked closely with others on the Banking Committee to construct a product that all of us in the Senate should be able to support. I am hopeful the Senate action on this bill today will break the logjam over this legislation so it can be signed into law before the Congress adjourns this year.

Mr. DODD. Mr President, I rise to lend my strong support for S. 467, the Terrorism Risk Insurance Extension

Act of 2005, which I originally introduced with Senator BENNETT and 34 cosponsors earlier this year. Our legislation was amended in committee with the hard work and leadership of Banking Committee Chairman SHELBY and Ranking Member SARBANES to develop the product before the Senate today.

I would like to commend the members on the Banking Committee: Senators JOHNSON, REED, SCHUMER, BAYH, CARPER, STABENOW, CORZINE, HAGEL, BUNNING, and DOLE as well as the other cosponsors of the legislation for recognizing—very early on—how important extending the Terrorism Risk Insurance Act, TRIA, was to our Nation's economy and for their efforts on this legislation.

I would especially like to commend Chairman SHELBY for his work on this legislation. This is not the bill I would have written, nor is it the bill that he would have written. For example, it was my hope that we could have included group life as a covered line in this legislation. However, I am acutely aware that the chairman has had concerns about the TRIA program and what the role of the Federal Government should be in this area—and I would like to thank him and his staff for helping to craft a compromise that not only adheres to his principles but also satisfies the concerns of so many Members of this body who believe it is imperative to pass an extension of TRIA.

Like many bills, this legislation is a document of compromise. We have carefully taken into consideration the recommendations of policyholders, insurers, consumers, academics, think-tanks, the Treasury Department and others to craft this important extension legislation.

And I think that this product is very good one.

Let me take a few brief moments to provide my colleagues with a little background on TRIA and why it needs to be extended today.

As a result of the tragic terrorist acts of 9/11, we repeatedly heard from businesses, large and small, from labor unions and manufacturers, from hospitals to hotels, from professional sports teams to utility companies, from insurers and the insured about the need for the Federal Government to act to help them receive financial protection from future terrorist attacks.

Congress listened, and we acted—creating the Terrorism Risk Insurance Act—TRIA.

In November 2002, TRIA was passed by both the House and Senate by significant margins and was signed into law. It created 3-year program establishing a Federal backstop against catastrophic losses in the property and casualty insurance marketplace.

And we heard an overwhelming response from policyholders across the country—TRIA has worked. It has achieved its primary goal—continued availability and affordability of insurance against future terrorist attacks.

Industries as diverse as commercial real estate, shipping, construction, manufacturing, and even ''mom and pop'' retailers require insurance to obtain credit, loans, and investments necessary for their normal business operations. TRIA was designed to do just that—restore ''business as usual'' in every State across our Nation.

I believe that the greatest indicator of the success of TRIA is what we have not heard over the past 3 years since the enactment of TRIA public outcry from businesses and workers whose livelihoods are threatened by their inability to purchase coverage against acts of terror.

Construction projects are no longer stalled, mortgages are no longer in doubt, and jobs are no longer in jeopardy as a result of the inability to receive terrorism insurance.

Insurance isn't something we think about every day, yet it is vital to the overall health of our economy. By protecting people and property, goods and services in every sector of America's $10 trillion-plus economy, insurance provides the stability and certainty required to keep our economic engine humming. Every prospective homeowner needs insurance to obtain a mortgage from a bank. Insurance of all types is a critical component of our capital markets.

Not only has TRIA been effective in ensuring that terrorism is available and affordable, and that our economy remains vibrant, it is also an incredibly important taxpayer protection law. With relatively little money necessary to fund the administration of the TRIA program, we have ensured that insurers and policyholders take the first $30 to $40 billion of losses of a potential terrorist attack.

According to a recent study conducted by the RAND Institute, ''Based on our analysis (of TRIA), the role of taxpayers is expected to be minimal, unless there is are several large events in a single year.''

TRIA has essentially provided that in the unfortunate event of a future terrorist attack a $30 to $40 billion check is written to U.S. taxpayers. TRIA has not only worked to help provide available and affordable terrorism risk insurance, it has also protected our Nation's taxpayers.

With the expiration of TRIA in less than 45 days, and this session near completion, it is essential that Congress extend TRIA immediately.

I would like to bring to your attention a letter from 28 Governors across the Nation urging us to extend the TRIA program.

There is one provision in this legislation that I believe is an important component—the mandate for the President's Working Group—our Nation's Federal financial regulators—to do an analysis of the long-term availability and affordability of terrorism risk insurance.

This legislation provides for a 2-year extension of TRIA—and in these next 2 years we need to find a long-term solution to this issue. It may be determined that this is an unwritable risk for the private sector, and that a continued Federal role is needed or we may find that insurers are able to return to underwriting this risk without a Federal backstop. But we need to start work on developing this information and potential solutions as soon as possible.

Since the enactment of TRIA, our Nation has been fortunate enough not to suffer the tremendous loss of life or destruction of property that we endured on September 11, 2001. But by no means has the political climate, either domestically or abroad, returned to a sense of normalcy. We are engaged in a violent conflict in Iraq and we have seen despicable terrorist attacks abroad in Europe and elsewhere.

We have heard repeated dire warnings that terrorism will return to U.S. soil. We must be prepared against this threat. Providing insurance against terrorist attacks, which allows our economy to function, is a critical part of our preparedness.

But we cannot fail to extend TRIA. We cannot afford—and we should do everything in our power to avoid—restoring the tremendous uncertainty and instability to businesses and workers and our economy as a whole.

The enactment of this legislation will ensure that our Nation and its economy are best prepared to deal with a future terrorist attack. I urge the my colleagues to support this legislation.

Mr. REED. Mr. President, the Senate is undertaking a long awaited debate on S. 467, Terrorism Risk Insurance Extension Act of 2005. This bill extends the important program that allows for the Federal Government to share the risk of loss from future terrorist attacks with the insurance industry for 2 more years, to 2007.

As we all know, terrorism remains a clear and present danger. The need for terrorism insurance is real, pressing, and a long-term issue. In the post-9/11 world, it is important to keep the existing TRIA program in place, while continuing to work with the private sector—both policyholders and insurers—to craft a longer term program that addresses all the needs of policyholders.

I want to particularly commend Minority Leader REID, Chairman SHELBY, Senators SARBANES, DODD, BENNETT, and their staffs for their tireless efforts in bringing this issue to the forefront of the Senate's legislative agenda.

The need for terrorism insurance coverage has been widely established as an economic issue, rather than just simply an insurance issue. In the past year, we have heard that many American businesses—policyholders—are already receiving exclusion notices from insurers informing them that they will not be covered on policies beyond TRIA's sunset date. As a result, there has been increasing uncertainty about the availability of adequate terrorism

coverage beyond 2005. Clearly, a Federal backstop is vital to ensuring the ongoing availability of terrorism risk coverage.

The other key reason to act on this issue is the fact that should another catastrophic event occur, the Federal Government will likely be on the hook for the total amount of the damage.

An important aspect of this debate is making certain that terrorism insurance coverage is available in the workers' compensation market. Workers' compensation is unique insurance coverage in that law requires that it cover acts of terrorism and war. For close to a century now, workers' compensation has been a safety net available to all workers and their families, replacing lost wages, and paying for medical needs and death benefits regardless of the cause of the workplace injury or death. A strong workers' compensation system is integral to helping victims and their families rebuild their lives.

In my State of Rhode Island, the burden of providing workers' compensation falls to one mutual insurance compan, Beacon Mutual, which was created by the State to ensure that there will always be workers' compensation available to companies in the State. With less availability of reinsurance, the concern for one company conceivably underwriting the entire market for workers' compensation was significant and would have created a very tenuous situation for the company, the State, and its residents. Extending TRIA will address the various problems that employers, insurance companies, and State workers compensation pools alike have had to endure in the absence of a Federal backstop.

I would note, however, that although S. 467 is an improvement on the administration's proposal for the trigger for a terrorist incident—$50 million in the first year of the extension and $100 million in the last, down from $500 million, I remain concerned that because of the concentration of risk and their small capitalization, a higher trigger level for State fund companies put these funds uniquely at risk. A number of terrorist targets could create a result where workers' compensation losses could exceed property losses, but still not reach the proposed higher trigger. As we move towards finding a long-term solution to terrorism insurance coverage, I hope we can work to better address this issue.

There remains a great need to do something because, as it has been stated very plainly during this debate, the situation without a Federal terrorism risk insurance program could be very dire. Extending TRIA is absolutely the right thing to do to protect the economic security of our country. I urge my colleagues to support this bill, and I look forward to its speedy adoption and signature into law.

Mr. SCHUMER. Mr. President, I rise today to express my unwavering support for S. 467, the Terrorism Risk Insurance Extension Act of 2005, introduced by my friend, Senator DODD of Connecticut.

I would like to commend Senators DODD, BENNETT, SHELBY and SARBANES for getting a bill done that we can all stand here and be proud to support. A bill that is good for this country and good for the State of New York.

We still live in America, and particularly in my city of New York, in the shadow of 9/11, of the terrorism that occurred. Obviously, the thousands of families who have had a loved one taken from their midst live with it every moment of their remaining lives, but the rest of us live with it, too, not only in empathy for them but also in terms of the economic consequences of terrorism.

The bottom line is very simple, and that is, because of terrorism, the insurance industry, in terms of insuring risk of large structures in America—whether it be large buildings that make us so proud of the Manhattan skyline or large arenas such as the football stadiums that dot America or larger facilities such as Disneyland, Disney World, and amusement parks—all have difficulty getting insurance.

Insurers are worried that if, God forbid, another terrorist act occurs, it will be so devastating that it will put them out of business.

So 2 years ago, the Senate, House, and the President got together at sort of the end of the day, just like today, and passed terrorism risk insurance.

It has been a large success. That, no one can dispute.

Insurance rates have come down, terrorism insurance is available, and insurance companies know, if, God forbid, the worst happens, there will be a backstop, and they are willing to issue policies.

In turn, that meant developers, builders who wanted to build new large structures in America, did so, employing thousands and thousands of people, creating profits and new businesses as well.

Well, today we are all here to do the right thing. Yesterday, the Banking Committee, of which I am member, passed unanimously a bill to extend the TRIA. In this bill, we have kept the trigger levels manageable for the policyholder community. We kept the retention levels at a responsible level for the private market, retaining the public/private nature of the program.

The bottom line is that we have made some necessary modifications to the program without losing the major protections. We did not all agree what should have been in the bill. Many of us felt strongly about including group life and protections against nuclear, biological, chemical and radiological attacks. But the beauty of the process is that it is a negotiation where we all give and take.

This bill is a good compromise.

The continuation of this program is vital to our Nation's economic stability. By passing this bill on the floor today, we will be sending a message to the world that our financial markets will be protected, that our country will be able to bounce back in the event of any disruptions or financial dislocation caused by another possible terrorist attack.

It is still my strong belief that there needs to be a long-term solution—a permanent program. The President has continued to say that we are fighting a war on terrorism.

The bombing in Jordan last week, the London bombings this past July, and the recent threat to the New York subway system are a few examples of why we must continue fighting this war on terrorism.

So it would have been my preference to get a bill that extended beyond 2 years. But I am at least pleased to know that there was a serious effort to address this concern by including a provision to create a commission that would begin to analyze the long-term availability and affordability of insurance for terrorism risk.

I would particularly like to thank Chairman DODD and SHELBY for specifically including the language I requested which directs the President's working group to analyze the long-term affordability and availability of coverage for chemical, nuclear, biological, and radiological events.

This is an issue of great importance to many New Yorkers. Many retailers and business owners in Lower Manhattan are afraid of a possible dirty bombs attack and the availability of insurance for such an event. This must be addressed and right away.

The bottom line is that financial dislocation caused by another possible terrorist attack—God forbid—is too much for our country to risk. I urge the entire Senate to pass this legislation today. It is only right that we let the markets, let the insurance world, and, most of all, let jobs and construction go forth.

Mr. FRIST. Mr. President, very briefly, I want to comment on this bill as well. This is the Terrorism Risk Insurance Extension Act of 2005. We are doing this by unanimous consent which reflects a tremendous amount of work by a range of Senators over the course of the last several months, weeks, days, and especially over the last few hours. This is a bill that has been subjected to a lot of debate, and that debate has culminated in a lot of agreement. I appreciate the great work of Senator SHELBY, Senator DODD, and so many others. The House hopefully will act on terrorism risk insurance shortly. It is a very important bill to our economy.

I ask unanimous consent that the amendment at the desk be agreed to; the committee reported amendment, as amended, be agreed to; the bill, as amended, be read a third time and passed; the motion to reconsider be laid upon the table; and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2600) was agreed to as follows:

Modify section 3(c)(2) of the bill to read as follows:

(2) CONFORMING AMENDMENT.—Section 102(12)(A) of the Terrorism Risk Insurance Act of 2002 (15 U.S.C. 6701 note; 116 Stat. 2326) is amended by striking ''surety insurance'' and inserting ''directors and officers liability insurance''.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill (S. 467), as amended, was read the third time and passed.

(The bill will be printed in a future edition of the RECORD.)

U.S.S. ''CARL VINSON''

Mr. FRIST. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of H.R. 4326, which was received from the House.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 4326) to authorize the Secretary of the Navy to enter into a contract for the nuclear refueling and complex overhaul of the U.S.S. Carl Vinson.

There being no objection, the Senate proceeded to consider the bill.

Mr. FRIST. I ask unanimous consent the bill be read a third time and passed, the motion to reconsider be laid upon the table, and that any statements relating to the bill be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The bill (H.R. 4326) was read the third time and passed.

EXECUTIVE SESSION

AGREEMENT WITH CANADA ON PACIFIC HAKE/WHITING

CONVENTION STRENGTHENING INTER-AMERICAN TUNA COMMISSION

CONVENTION CONCERNING MIGRATORY FISH STOCK IN THE PACIFIC OCEAN

Mr. FRIST. I ask unanimous consent the Senate proceed to executive session to consider the following treaties on today's executive calendar: Nos. 4, 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 any committee conditions, declarations, or reservations be agreed to as applicable; that any statements be inserted in the 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, the President be notified of the Senate's action; and that following disposition of the treaties the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FRIST. I ask for a division vote on the resolutions of ratification.

The PRESIDING OFFICER. A division vote is requested. Senators in favor of the resolutions of ratification please stand and be counted.

Those opposed to the resolutions of ratification please stand and be counted.

On this vote, two-thirds of the Senators present having voted in the affirmative, the resolutions of ratification are agreed to.

The resolutions of ratification agreed to are as follows:

AGREEMENT WITH CANADA ON PACIFIC HAKE/WHITING (TREATY DOC. 108–24)

Resolved (two-thirds of the Senators present concurring therein), That the Senate advises and consents to the ratification of the Agreement between the Government of the United States of America and the Government of Canada on Pacific Hake/Whiting, done at Seattle, November 21, 2003 (Treaty Doc. 108–24).

CONVENTION STRENGTHENING INTER-AMERICAN TUNA COMMISSION (TREATY DOC. 109–2)

Resolved (two-thirds of the Senators present concurring therein), That the Senate advises and consents to the ratification of the Convention for the Strengthening of the Inter-American Tropical Tuna Commission Established by the 1949 Convention Between the United States of America and the Republic of Costa Rica, with Annexes, adopted on June 27, 2003, in Antigua, Guatemala, and signed by the United States on November 14, 2003 (Treaty Doc. 109–2).

CONVENTION CONCERNING MIGRATORY FISH STOCK IN THE PACIFIC OCEAN (TREATY DOC. 109–1)

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advises and consents to the ratification of the Convention on the Conservation and Management of the Highly Migratory Fish Stocks in the Western and Central Pacific Ocean, with Annexes, adopted at Honolulu on September 5, 2000, by the Multilateral High Level Conference on the Highly Migratory Fish Stocks in the Western and Central Pacific Ocean, and signed by the United States on that date (Treaty Doc. 109–1).

LEGISLATIVE SESSION

The PRESIDING OFFICER. The Senate will return to legislative session.

ORDERS FOR FRIDAY, NOVEMBER 18, 2005

Mr. FRIST. I ask unanimous consent that when the Senate completes its business today, it stand in adjournment until 9 a.m. on Friday, November 18. I further ask unanimous consent that following the prayer and pledge, the morning hour be deemed expired, the Journal of proceedings be approved to date, and the time for the two leaders be reserved.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. FRIST. Mr. President, tomorrow morning after we convene, we will immediately proceed to the continuing resolution. Senator HARKIN will have an amendment which will require a vote. Therefore, Senators should expect a couple votes early in the morning. Those votes will occur at approximately 9:30 in the morning.

Following those votes, we expect to have a better idea of what additional business will be available on Friday. There are a couple of appropriations conference reports that will likely be available, the PATRIOT conference report, the House message on the spending reconciliation bill, as well as other legislative and executive items we are trying to clear. Therefore, additional votes may occur and will occur, and we will try to clarify Friday's schedule as early as possible.

I remind everyone that a weekend session is expected and Senators should remain available Friday and Saturday and beyond until we finish our remaining work. I will have to say, starting now about 3 weeks ago we set out a very aggressive agenda, and to date we have stayed right on target to accomplish that agenda. The House is in session right now and is voting actually right now, and I understand they will be conducting more business tonight and in the morning that we will have to act on after they act on much of the legislation they are considering. So it will be a full day tomorrow. I expect to have a number of votes over the course of tomorrow. And again, as we have said for the last 3 weeks, it will be important for our colleagues to keep their schedules flexible through tomorrow and Saturday, Sunday, and possibly beyond that.

ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. FRIST. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 12:58 p.m., adjourned until Friday, November 18, 2005 at 9 a.m.

NOMINATIONS

Executive nominations received by the Senate November 17, 2005.

TENNESSEE VALLEY AUTHORITY

DENNIS BOTTORFF, OF TENNESSEE, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE TENNESSEE VALLEY AUTHORITY FOR A TERM EXPIRING MAY 18, 2011. (NEW POSITION)

ROBERT M. DUNCAN, OF KENTUCKY, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE TENNESSEE VALLEY AUTHORITY FOR A TERM EXPIRING MAY 18, 2011. (NEW POSITION)

WILLIAM B. SANSOM, OF TENNESSEE TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE TENNESSEE VALLEY AUTHORITY FOR A TERM EXPIRING MAY 18, 2009. (NEW POSITION)

HOWARD A. THRAILKILL, OF ALABAMA, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE TENNESSEE VALLEY AUTHORITY FOR A TERM EXPIRING MAY 18, 2007. (NEW POSITION)

SUSAN RICHARDSON WILLIAMS, OF TENNESSEE, TO BE A MEMBER OF THE BOARD OF DIRECTORS OF THE TENNESSEE VALLEY AUTHORITY FOR THE A TERM PRESCRIBED BY LAW, VICE GLENN L. MCCULLOUGH, JR., TERM EXPIRED.

Daily Digest

HIGHLIGHTS

Senate passed S. 2020, Tax Relief Act.

The House agreed to H.J. Res. 72, Making Further Continuing Appropriations for the Fiscal Year 2006;

The House failed to agree to the Conference Report on H.R. 3010, Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006; and

The House passed H.R. 4241, Deficit Reduction Act of 2005.

Senate

Chamber Action

Routine Proceedings, pages S13147–S13282

Measures Introduced: Twenty-four bills and four resolutions were introduced, as follows: S. 2028–2051, S. Res. 318–319, and S. Con. Res. 65–66. **Pages S13160–61**

Measures Reported:

S. 1390, to reauthorize the Coral Reef Conservation Act of 2000, with amendments. (S. Rept. No. 109–182)

S. 2029, to amend and enhance certain maritime programs of the Department of Transportation. (S. Rept. No. 109–183)

S. 1354, to establish commissions to review the facts and circumstances surrounding injustices suffered by European Americans, European Latin Americans, and Jewish refugees during World War II.

S. 1614, to extend the authorization of programs under the Higher Education Act of 1965, with an amendment in the nature of a substitute.

S. 1789, to prevent and mitigate identity theft, to ensure privacy, to provide notice of security breaches, and to enhance criminal penalties, law enforcement assistance, and other protections against security breaches, fraudulent access, and misuse of personally identifiable information, with an amendment in the nature of a substitute.

S. 1961, to extend and expand the Child Safety Pilot Program.

S. 2006, to provide for recovery efforts relating to Hurricanes Katrina and Rita for Corps of Engineers projects, with amendments.

S. 2032, to authorize the Secretary of Homeland Security to award grants to public transportation agencies to improve security. **Page S13160**

Measures Passed:

Housing and Service Needs of Seniors: Senate passed S. 705, to establish the Interagency Council on Meeting the Housing and Service Needs of Seniors, after agreeing to the committee amendment in the nature of a substitute. **Pages S13253–60**

Tax Relief Act: By 64 yeas to 33 nays (Vote No. 347), Senate passed S. 2020, to provide for reconciliation pursuant to section 202(b) of the concurrent resolution on the budget for fiscal year 2006, after taking action on the following amendments proposed thereto: **Pages S13072–S13145**

Adopted:

Grassley/Baucus Modified Amendment No. 2647, to provide an extension and increase in minimum tax relief to individuals. **Pages S13113–14**

Obama Amendment No. 2605, expressing the sense of the Senate that the Federal Emergency Management Agency should immediately address issues relating to no-bid contracting. **Pages S13090–92, S13124**

Nelson (NE)/DeWine Amendment No. 2625, to require the Secretary of the Treasury to establish a disability preference program for qualified tax collection contracts. **Pages S13120–21, S13130**

Dayton Amendment No. 2658, to provide valuation of employee personal use of noncommercial aircraft. **Page S13134**

Landrieu/Vitter Amendment No. 2669, to provide housing relief for individuals affected by Hurricane Katrina. **Pages S13134–35**

Craig/Rockefeller Amendment No. 2655, to express the sense of Congress regarding the conditions for the United States to become a signatory to any multilateral agreement on trade resulting from the World Trade Organization's Doha Development Agenda Round. **Pages S13135–36**

Grassley/Baucus Amendment No. 2670, to make certain improvements to the bill. **Page S13137**

Rejected:

Baucus (for Reid) Modified Amendment No. 2653, to amend the Internal Revenue Code of 1986 to extend through 2010 certain tax incentives for renewable energy production and energy efficient building construction. **Pages S13118–19, S13126, S13128**

Bingaman/Kerry Amendment No. 2642, to provide for a tax credit for offering employer-based health insurance coverage. **Pages S13120, S13129**

Durbin Amendment No. 2623, to reduce the tax on Patriot employers. **Pages S13120, S13129–30**

Snowe Amendment No. 2667, to impose withholding on certain payments made by government entities and to use the revenues collected to fund programs under the Low-Income Home Energy Assistance Act of 1981 through a trust fund. **Pages S13136–37**

Withdrawn:

Lincoln Amendment No. 2652, to modify the income threshold used to calculate the refundable portion of the child tax credit. **Pages S13127–28**

During consideration of this bill, Senate also took the following action:

By 44 yeas to 55 nays (Vote No. 330), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Conrad Amendment No. 2602, in the nature of a substitute. Subsequently, the Chair sustained a point of order that Conrad Amendment No. 2602, was not germane, and the amendment thus fell. **Pages S13072–80**

By 35 yeas to 64 nays (Vote No. 331), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Dorgan Amendment No. 2587, to amend the Internal Revenue Code of 1986 to impose a temporary windfall profit tax on crude oil and to rebate the tax collected back to the American consumer. Subsequently, the Chair sustained a point of order that Dorgan Amendment No. 2587, was not germane, and the amendment thus fell. **Pages S13101–02**

By 48 yeas to 51 nays (Vote No. 332), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Feinstein Amendment No. 2609, to repeal certain tax benefits, relating to oil and gas wells intangible drilling and development costs. Subsequently, the Chair sustained a point of order that Feinstein Amendment No. 2609, was not germane, and the amendment thus fell. **Pages S13081–85, S13102**

By 40 yeas to 59 nays (Vote No. 333), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Feinstein/Kerry Amendment No. 2610, to reinstate for millionaires a top individual income tax rate of 39.6 percent, the pre-May 2003 rates of tax on capital gains and dividends, and to repeal the reduction and termination of the phase out of personal exemptions and overall limitation on itemized deductions, until the Federal budget deficit is eliminated. Subsequently, the Chair sustained a point of order that Feinstein Amendment No. 2610, was not germane, and the amendment thus fell. **Pages S13081–85, S13089–90, S13102–03**

By 57 yeas to 42 nays (Vote No. 334), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Cantwell Amendment No. 2612, to improve the Federal Trade Commission's ability to protect consumers from price-gouging during energy emergencies. Subsequently, the Chair sustained a point of order that Cantwell Amendment No. 2612, was not germane, and the amendment thus fell. **Pages S13085–89, S13103–04**

By 51 yeas to 47 nays (Vote No. 335), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Lott Amendment No. 2633, to clarify treatment of outside income and expenses in the Senate. Subsequently, the Chair sustained a point of order that Lott Amendment No. 2633, was not germane, and the amendment thus fell. **Pages S13104–13, S13114–15, S13123**

By 53 yeas to 45 nays (Vote No. 336), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive section 313 (b)(1)(A) of the Congressional Budget Act of 1974, with respect to Grassley Amendment No. 2654, to express the sense of the Senate. Subsequently, the Chair sustained the point

of order that the amendment was in violation of the Byrd Rule, and the amendment thus fell.

Pages S13123–24

By 43 yeas to 55 nays (Vote No. 337), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Durbin Amendment No. 2596, to express the sense of the Senate concerning the provision of health care for children before providing tax cuts for the wealthy. Subsequently, the Chair sustained a point of order that Durbin Amendment No. 2596, was not germane, and the amendment thus fell. **Page S13124**

By 36 yeas to 62 nays (Vote No. 338), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Kennedy/Landrieu Amendment No. 2588, to eliminate child poverty. Subsequently, the Chair sustained the point of order that Kennedy/Landrieu Amendment No. 2588, was not germane, and the amendment thus fell. **Pages S13092–95, S13124–25**

By 50 yeas to 48 nays (Vote No. 339), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Reed Amendment No. 2626, to impose a temporary windfall profits tax on crude oil and to use the proceeds of the tax collected to fund programs under the Low-Income Energy Assistance Act of 1981 through a trust fund. Subsequently, the Chair sustained a point of order that Reed Amendment No. 2626, was not germane, and the amendment thus fell.

Pages S13097–S13101, S13125–26

By 50 yeas to 48 nays (Vote No. 340), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Feingold Amendment No. 2650, to fully reinstate the pay-as-you-go requirement through 2010. Subsequently, the Chair sustained the point of order that Feingold Amendment No. 2650 was not germane, and the amendment thus fell. **Pages S13115–16, S13121–22, S13126–27**

Chair sustained a point of order against Sununu Amendment No. 2651, to repeal State and local taxation exemptions applicable to the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, as being in violation of sections 305(b) and 310(e) of the Congressional Budget Act of 1974, and the amendment thus fell.

Page S13116, S13127

By 33 yeas to 65 nays (Vote No. 341), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Schumer Amendment No. 2635, to amend the Internal Revenue Code of 1986 to impose a temporary windfall profit tax on crude oil and to use the proceeds of the tax collected to provide a nonrefundable tax credit of $100 for every personal exemption claimed for taxable years beginning in 2005. Subsequently, the Chair sustained the point of order that Schumer Amendment No. 2635 was not germane, and the amendment thus fell. **Pages S13116–18, S13122, S13128**

By 51 yeas to 47 nays (Vote No. 342), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Nelson (FL) Amendment No. 2601, to amend title XVIII of the Social Security Act to provide extended and additional protection to Medicare beneficiaries who enroll for the Medicare prescription drug benefit during 2006. Subsequently, the Chair sustained the point of order that Nelson (FL) Amendment No. 2601, was not germane, and the amendment thus fell.

Pages S13119, S13128–29

By 43 yeas to 55 nays (Vote No. 343), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Boxer Amendment No. 2634, to provide an additional $500,000,000 for each of fiscal years 2006 through 2010, to be used for readjustment counseling, related mental health services, and treatment and rehabilitative services for veterans with mental illness, post-traumatic stress disorder, or substance use disorder. Subsequently, the Chair sustained the point of order that Boxer Amendment No. 2634, was not germane, and the amendment thus fell.

Pages S13130–31

By 55 yeas to 43 nays (Vote No. 344), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive under section 305(b) of the Congressional Budget Act of 1974, with respect to Kerry/Obama Amendment No. 2616, to accelerate marriage penalty relief for the earned income tax credit, to extend the election to include combat pay in earned income, and to make modifications of effective dates of leasing provisions of the American Jobs Creation Act of 2004. Subsequently, the Chair sustained the point of order that Kerry/Obama Amendment No. 2616 was not germane, and the amendment thus fell.

Pages S13131–32

By 47 yeas to 51 nays (Vote No. 345), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Dayton Amendment No. 2629, to allow a refundable tax credit for the energy costs of farmers and ranchers, and to modify the foreign tax credit rules applicable to dual capacity taxpayers. Subsequently, the Chair sustained the point of order that Dayton Amendment No. 2629 was not germane, and the amendment thus fell. **Pages S13132–33**

By 42 yeas to 56 nays (Vote No. 346), three-fifths of those Senators duly chosen and sworn, not having voted in the affirmative, Senate rejected the motion to waive certain provisions of the Congressional Budget Act of 1974, with respect to Harkin/Obama Amendment No. 2665, to amend the Internal Revenue Code of 1986 to restore the phaseout of personal exemptions and the overall limitation on itemized deductions and to modify the income threshold used to calculate the refundable portion of the child tax credit. Subsequently, the Chair sustained the point of order that Harkin/Obama Amendment No. 2665, was not germane, and the amendment thus fell. **Pages S13133–34**

Wired For Health Care Quality Act: Senate passed S. 1418, to enhance the adoption of a nationwide interoperable health information technology system and to improve the quality and reduce the costs of health care in the United States, after agreeing to the committee amendment in the nature of a substitute, and the following amendment proposed thereto: **Pages S13260–77**

Frist (for Enzi) Amendment No. 2671, in the nature of a substitute. **Page S13271**

Terrorism Risk Insurance Extension Act: Senate passed S. 467, to extend the applicability of the Terrorism Risk Insurance Act of 2002, after agreeing to the committee amendment in the nature of a substitute, and the following amendment proposed thereto: **Pages S13277–82**

Frist (for Shelby) Amendment No. 2600, to make a modification. **Page S13282**

U.S.S. Carl Vinson: Senate passed H.R. 4326, to authorize the Secretary of the Navy to enter into a contract for the nuclear refueling and complex overhaul of the U.S.S. Carl Vinson (CVN–70), clearing the measure for the President. **Page S13282**

Continuing Resolution—Agreement: A unanimous-consent agreement was reached providing that on Friday, November 18, 2005, Senate begin consideration of H.J. Res. 72, making further continuing appropriations for the fiscal year 2006; that Senator Harkin be recognized to offer an amendment relevant to CSBG, and that there be 20 minutes of debate on the amendment; that following the use or yielding back of time, Senate vote on or in relation to the amendment, to be followed by a vote on final passage of the resolution. **Page S13260**

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 having voted in the affirmative, the resolutions of ratification were agreed to:

Agreement with Canada on Pacific Hake/Whiting (Treaty Doc. 108–24);

Convention Strengthening Inter-American Tuna Commission (Treaty Doc. 109–2); and

Convention Concerning Migratory Fish Stock in the Pacific Ocean (Treaty Doc. 109–1). **Page S13282**

Nominations Received: Senate received the following nominations:

Dennis Bottorff, of Tennessee, to be a Member of the Board of Directors of the Tennessee Valley Authority for a term expiring May 18, 2011.

Robert M. Duncan, of Kentucky, to be a Member of the Board of Directors of the Tennessee Valley Authority for a term expiring May 18, 2011.

William B. Sansom, of Tennessee, to be a Member of the Board of Directors of the Tennessee Valley Authority for a term expiring May 18, 2009.

Howard A. Thrailkill, of Alabama, to be a Member of the Board of Directors of the Tennessee Valley Authority for a term expiring May 18, 2007.

Susan Richardson Williams, of Tennessee, to be a Member of the Board of Directors of the Tennessee Valley Authority for the term prescribed by law. **Pages S13146, S13282**

Messages From the House: **Page S13158**

Measures Referred: **Page S13158**

Enrolled Bills Presented: **Page S13158**

Executive Communications: **Pages S13159–60**

Executive Reports of Committee: **Page S13160**

Additional Cosponsors: **Pages S13161–62**

Statements on Introduced Bills/Resolutions: **Pages S13162–85**

Additional Statements: **Pages S13156–58**

Amendments Submitted: **Pages S13185–S13252**

Notices of Hearings/Meetings: **Page S13252**

Authorities for Committees to Meet: **Pages S13252–53**

Privileges of the Floor: **Page S13253**

Record Votes: Eighteen record votes were taken today. (Total—347) **Pages S13080, S13101–04, S13123–29, S13131–34, S13145**

Recess: Senate convened at 9:30 a.m., and recessed at 12:58 a.m., on Friday, November 17, 2005 and will reconvene at 8:15 a.m. on the same day. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S13146.)

Committee Meetings

(Committees not listed did not meet)

AVIAN INFLUENZA

Committee on Agriculture, Nutrition, and Forestry: Committee concluded a hearing to examine the role of United States agriculture in the control and eradication of avian influenza, focusing on the healthcare system, antiviral drugs, and enhancement of quarantine stations, after receiving testimony from Ron DeHaven, Administrator, Animal and Plant Health Inspection Service, Department of Agriculture; Julie L. Gerberding, Director, Centers for Disease Control and Prevention, Department of Health and Human Services; Donald Waldrip, Wayne Farms, LLC, Oakwood, Georgia, on behalf of the National Chicken Council; S.H. Kleven, University of Georgia College of Veterinary Medicine Poultry Diagnostic and Research Center, Athens; Gretta Irwin, Iowa Turkey Federation, Ames, on behalf of the National Turkey Federation.

FINANCIAL PRODUCT SALES

Committee on Banking, Housing, and Urban Affairs: Committee concluded a hearing to examine a Government Accountability Office report on the sale of financial products to military personnel, focusing on actions needed to protect military members, after receiving testimony from Richard J. Hillman, Managing Director, Financial Markets and Community Investment, Government Accountability Office; John M. Molino, Deputy Under Secretary of Defense for Military Community and Family Policy; Lori Richards, Director, Office of Compliance Inspections and Examinations, U.S. Securities and Exchange Commission; John Oxendine, Georgia Commissioner of Insurance, Atlanta; and Mary Schapiro, National Association of Securities Dealers, Washington, D.C.

AVIATION SAFETY

Committee on Commerce, Science, and Transportation: Subcommittee on Aviation concluded a hearing to examine the Federal Aviation Administration's efforts to maintain a high level of safety through a safety oversight system, after receiving testimony from Marion Blakey, Administrator, Federal Aviation Administration, and Kenneth Mead, Inspector General, both of the Department of Transportation; John S. Carr, National Air Traffic Controllers Association, Basil J. Barimo, Air Transport Association of America, Inc., and Robert Roach, Jr., International Association of Machinists and Aerospace Workers, all of Washington, D.C.; and Christian A. Klein, Aeronautical Repair Station Association, Alexandria, Virginia.

BUSINESS MEETING

Committee on Commerce, Science, and Transportation: Committee ordered favorably reported the following business items:

S. 1110, to amend the Federal Hazardous Substances Act to require engine coolant and antifreeze to contain a bittering agent in order to render the coolant or antifreeze unpalatable, proposed Polar Bear Treaty, with amendments;

S. 2013, to amend the Marine Mammal Protection Act of 1972 to implement the Agreement on the Conservation and Management of the Alaska-Chukotka Polar Bear Population;

S. 1052, to improve transportation security, with an amendment in the nature of a substitute;

S. 65, to amend the age restrictions for pilots, with an amendment in the nature of a substitute;

S. 1102, to extend the aviation war risk insurance program for 3 years;

S. 517, to establish a Weather Modification Operations and Research Board, with an amendment in the nature of a substitute;

S. 687, to regulate the unauthorized installation of computer software, to require clear disclosure to computer users of certain computer software features that may pose a threat to user privacy, with an amendment in the nature of a substitute; and

The nominations of William E. Kovacic, of Virginia, J. Thomas Rosch, of California, each to be a Federal Trade Commissioner, and a Coast Guard Promotion List.

BUSINESS MEETING

Committee on Environment and Public Works: Committee ordered favorably reported the following business items:

S. 1496, to direct the Secretary of the Interior to conduct a pilot program under which up to 15 States may issue electronic Federal migratory bird hunting stamps, with an amendment;

S. 1165, to provide for the expansion of the James Campbell National Wildlife Refuge, Honolulu County, Hawaii, with an amendment;

S. 2006, to provide for recovery efforts relating to Hurricanes Katrina and Rita for Corps of Engineers projects, with an amendment;

S. 1708, to modify requirements relating to the authority of the Administrator of General Services to

enter into emergency leases during major disasters and other emergencies; and

S. 2015, to provide a site for construction of a national health museum.

NEW ORLEANS' LEVEES

Committee on Environment and Public Works: Committee concluded a hearing to examine the degree to which the preliminary findings on the failure of the levees are being incorporated into the restoration of hurricane protection, after receiving testimony from Daniel H. Hitchings, Regional Business Director, Mississippi Valley Division, U.S. Army Corps of Engineers, Department of the Army; Thomas F. Zimmie, Rensselaer Polytechnic Institute Environmental Engineering Department, Troy, New York, on behalf of National Science Foundation Investigative Team; Sherwood Gagliano, Coastal Environments, Inc., and Joseph N. Suhayda, Louisiana State University, both of Baton Rouge, Louisiana; Larry Roth, American Society of Civil Engineers, Washington, D.C.; and Robert R.M. Verchick, Loyola University Law School, New Orleans, Louisiana.

AFRICAN ORGANIZATIONS

Committee on Foreign Relations: Subcommittee on African Affairs concluded a hearing to examine cross-continental progress relating to African organizations and institutions, focusing on the African Union and African sub-regional organizations to advance freedom, peace, and prosperity in Africa, after receiving testimony from Jendayi E. Frazer, Assistant Secretary of State for African Affairs; Lloyd O. Pierson, Assistant Administrator for Africa, U.S. Agency for International Development; and Victoria K. Holt, The Henry L. Stimson Center, and Jennifer G. Cooke, Center for Strategic and International Studies, both of Washington, D.C.

NATIONAL SECURITY PERSONNEL SYSTEM

Committee on Homeland Security and Governmental Affairs: Committee concluded a hearing to examine regulations for the National Security Personnel System, focusing on the Department of Defense in partnership with the Office of Personnel Management, the establishment of a new civilian human resources management system to support the U.S. critical national security mission, after receiving testimony from Gordon R. England, Acting Deputy Secretary of Defense; Brad Bunn, Deputy Program Executive Officer, National Security Personnel System; Linda M. Springer, Director, and George Nesterczuk, Senior Advisor on Department of Defense, both of the Office of Personnel Management; David M. Walker, Comptroller General of the United States, Government Accountability Office; John Gage, American Federation of Government Employees, AFL–CIO, on behalf of the United Department of Defense Workers Coalition, and Ronald Ault, Metal Trades Department, AFL–CIO, both of Washington, D.C.; Dan Schember, Association of Civilian Technicians, Lake Ridge, Virginia; and Michael B. Styles, Alexandria, Virginia.

TRIBAL LOBBYING MATTERS

Committee on Indian Affairs: Committee continued oversight hearings to examine In Re Tribal Lobbying Matters, Et Al, focusing on lobbying fraud, receiving testimony from Italia Federici, Council of Republicans for Environmental Advocacy, Washington, D.C.

Hearing recessed subject to the call.

BUSINESS MEETING

Committee on the Judiciary: Committee ordered favorably reported the following business items:

S. 1789, to prevent and mitigate identity theft, to ensure privacy, to provide notice of security breaches, and to enhance criminal penalties, law enforcement assistance, and other protections against security breaches, fraudulent access, and misuse of personally identifiable information, with an amendment in the nature of a substitute;

S. 1961, to extend and expand the Child Safety Pilot Program;

S. 1354, to establish commissions to review the facts and circumstances surrounding injustices suffered by European Americans, European Latin Americans, and Jewish refugees during World War II; and

The nominations of Joseph Frank Bianco, to be United States District Judge for the Eastern District of New York, Timothy Mark Burgess, to be United States District Judge for the District of Alaska, Gregory F. Van Tatenhove, to be United States District Judge for the Eastern District of Kentucky, Eric Nicholas Vitaliano, to be United States District Judge for the Eastern District of New York, Kristi Dubose, of Alabama, to be United States District Judge for the Southern District of Alabama, W. Keith Watkins, of Alabama, to be United States District Judge for the Middle District of Alabama, Virginia Mary Kendall, of Illinois, to be United States District Judge for the Northern District of Illinois, Emilio T. Gonzalez, of Florida, to be Director of the Bureau of Citizenship and Immigration Services, Department of Homeland Security, and Catherine Lucille Hanaway, to be United States Attorney for the Eastern District of Missouri, Department of Justice.

FUTURE ASBESTOS CLAIMS

Committee on the Judiciary: Committee concluded a hearing to examine recent developments in assessing

future asbestos claims under the FAIR Act, and S. 852, to create a fair and efficient system to resolve claims of victims for bodily injury caused by asbestos exposure, after receiving testimony from Douglas Holtz-Eakin, Director, Congressional Budget Office; Charles E. Bates, Bates White, LLC, and Laura Welch, Center to Protect Workers Rights, both of Washington, D.C.; Mark A. Peterson, Legal Analysis Systems, Thousand Oaks, California; Mark Lederer, Manville Personal Injury Settlement Trust, Katonah, New York; and Denis Neumann Martin, National Economic Research Associates Consulting, New York, New York.

NOMINATION

Select Committee on Intelligence: Committee ordered favorably reported the nomination of Dale W. Meyerrose, of Indiana, to be Chief Information Officer, Office of the Director of National Intelligence.

Prior to this action, committee concluded a closed hearing to examine the nomination of Dale W. Meyerrose, of Indiana, to be Chief Information Officer, Office of the Director of National Intelligence, after the nominee testified and answered questions in his own behalf.

House of Representatives

Chamber Action

Public Bills and Resolutions Introduced: 31 public bills, H.R. 4356–4386; and 12 resolutions, H.J. Res. 73; H. Con. Res. 303–306; and H. Res. 561–562, 566–570, were introduced.

Pages H10908–09

Additional Cosponsors: **Pages H10909–10**

Reports Filed: Reports were filed today as follows:

H.R. 4297, to provide for reconciliation pursuant to section 201(b) of the concurrent resolution on the budget for fiscal year 2006, with an amendment (H. Rept. 109–304);

H.R. 3889, to further regulate and punish illicit conduct relating to methamphetamine, with amendments (H. Rept. 109–299, Pt. 2);

Conference report on H.R. 2528, making appropriations for military quality of life functions of the Department of Defense, military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2006 (H. Rept. 109–305); and

H. Res. 563, waiving a requirement of clause 6(a) of rule XIII with respect to consideration of certain resolutions reported from the Committee on Rules (H. Rept. 109–306).

Conference report on H.R. 3058, making appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and independent agencies for the fiscal year ending September 30, 2006 (H. Rept. 109-307);

H. Res. 564,waiving points of order against the conference report to accompany the bill (H.R. 2528) making appropriations for military quality of life functions of the Department of Defense, military construction, the Department of Veterans Affairs, and related agencies for the fiscal year ending September 30, 2006 (H. Rept. 109-308); and

H. Res. 565, waiving points of order against the conference report to accompany the bill (H.R. 3058) making appropriations for the Departments of Transportation, Treasury, and Housing and Urban Development, the Judiciary, District of Columbia, and independent agencies for the fiscal year ending September 30, 2006 (H. Rept. 109-309).

Pages H10790–H10893, H10908

Chaplain: The prayer was offered today by Rev. Paul C. Granillo, Director of Communications, Diocese of San Bernardino, California. **Page H10505**

Suspensions: The House agreed to suspend the rules and pass the following measure which was debated on Wednesday, November 16th:

Recognizing the 60th anniversary of the disappearance of the 5 naval Avenger torpedo bombers of Flight 19 and the naval Mariner rescue aircraft sent to search for Flight 19: H. Res. 500, amended, to Recognize the 60th anniversary of the disappearance of the 5 naval Avenger torpedo bombers of Flight 19 and the naval Mariner rescue aircraft sent to search for Flight 19, by a yea-and-nay vote of 420 yeas to 2 nays, Roll No. 597. **Pages H10516–17**

Further Continuing Appropriations for the Fiscal Year 2006: The House agreed to H.J. Res. 72, making further continuing appropriations for the fiscal year 2006, by a yea and nay vote of 413 yeas to 16 nays, Roll No. 599. **Pages H10508–12, H10517–18, H10530–31**

H. Res. 558, the rule providing for consideration of the bill was agreed to by a yea-and-nay vote of 407 yeas to 21 nays, Roll No. 595.

Pages H10508–09, H10514–15

Departments of Labor, Health and Human Services, and Education, and Related Agencies Appropriations Act, 2006: The House failed to agree to the conference report on H.R. 3010, making appropriations for the Departments of Labor, Health and Human Services, and Education, and Related Agencies for the fiscal year ending September 30, 2006, by a yea-and-nay vote of 209 yeas to 224 nays, Roll No. 598. **Pages H10512–16, H10518–30**

H. Res. 559, the rule providing for consideration of the bill was agreed to by a yea-and-nay vote of 244 yeas to 185 nays, Roll No. 596, after agreeing to order the previous question by voice vote.

Page H10512, H10515–16

The House agreed to the motion to insist on its disagreement to the Senate amendment on H.R. 3010, by voice vote. **Page H10531**

Recess: The House recessed at 2:31 p.m. and reconvened at 8:18 p.m. **Page H10531**

A point of order was raised against the consideration of the resolution (H. Res. 560) and it was agreed to proceed with consideration by a yea-and-nay vote of 224 yeas to 198 nays, Roll No. 600.

Pages H10531–34

Deficit Reduction Act of 2005: The House passed H.R. 4241, to provide for reconciliation pursuant to section 201(a) of the concurrent resolution on the budget for fiscal year 2006, by a recorded vote of 217 ayes to 215 noes, Roll No. 601.

Pages H10531–34, H10537–H10645

Agreed by unanimous consent that staff be authorized to make technical and conforming corrections to the text of H.R. 4241, as passed by the House. **Page H10646**

Agreed by unanimous consent to Mr. Nussle's motion to strike all after the enacting clause of S. 1932, and insert in lieu thereof the provisions of H.R. 4241 as passed by the House. **Page H10646**

H. Res. 560, the rule providing for consideration of the bill was agreed to, after agreeing to order the previous question and the Putnam amendment by voice vote. **Page H10544**

Suspensions: The House agreed to suspend the rules and pass the following measure which was debated on Wednesday, November 16th:

Condemning in the strongest terms the terrorist attacks that occurred on November 9, 2005, in Amman, Jordan: H. Res. 546, amended, to condemn in the strongest terms the terrorist attacks that occurred on November 9, 2005, in Amman, Jordan, by a yea-and-nay vote of 409 yeas with none voting "nay", Roll No. 602. **Pages H10645–46**

To direct the Architect of the Capitol to obtain a statue of Rosa Parks and to place the statue in the United States Capitol in National Statuary Hall: The House agreed by unanimous consent to H.R. 4145, amended, to direct the Architect of the Capitol to obtain a statue of Rosa Parks and to place the statue in the United States Capitol in National Statuary Hall. **Pages H10786–89**

Agreed to amend the title so as to read: "A bill to direct the Joint Committee on the Library to obtain a statue of Rosa Parks and to place the statue in the United States Capitol in National Statuary Hall, and for other purposes.". **Page H10789**

Senate Message: Messages received from the Senate today appear on page H10505.

Senate Referrals: S. 206, S. 213, S. 251, S. 652, S. 761, S. 777, S. 819, S. 891, S. 895, S. 958, S. 1154, S. 1338, and S. 1627 were referred to the Committee on Resources; S. 485, S. 584, S. 695, S. 1238 were held at the desk and S. 705 was referred to the Committees on Financial Services and Education and the Workforce. **Page H10505**

Quorum Calls—Votes: Seven yea-and-nay votes and one recorded vote developed during the proceedings today and appear on pages H10514–15, H10515–16, H10516–17, H10529–30, H10530–31, H10533–34, H10645 and H10645–46. There were no quorum calls.

Recess: The House recessed at 2:25 a.m. and reconvened at 8:31 a.m. **Page H10789**

Adjournment: The House met at 10 a.m. and adjourned at 8:33 a.m. on Friday, November 18.

Committee Meetings

COMBATING METHAMPHETAMINES

Committee on Education and the Workforce: Subcommittee on Education Reform held a hearing on Combating Methamphetamines through Prevention and Education. Testimony was heard from Representatives Souder and Hooley; Robert Denniston, Director, National Youth Anti-Drug Media Campaign, Office of National Drug Control Policy; and public witnesses.

MEDICATE PHYSICIAN PAYMENT

Committee on Energy and Commerce: Subcommittee on Health held a hearing entitled "Medicare Physician Payment: How to Build a More Efficient Payment System." Testimony was heard from Mark B. McClellan, M.D. Administrator, Centers for Medicare and Medicaid Services, Department of Health

and Human Services; Glen Hackbarth, Chairman, Medicare Payment Advisory Commission; and public witnesses.

THOROUGHBRED HORSE RACING JOCKEYS AND WORKERS

Committee on Energy and Commerce: Subcommittee on Oversight and Investigations held a hearing entitled ''Thoroughbred Horse Racing Jockeys and Workers: Examining On-Track Injury Insurance and Other Health and Welfare Issues.'' Testimony was heard from public witnesses.

LOUISIANA RECOVERY CORPORATION ACT

Committee on Financial Services: Held a hearing on H.R. 4100, Louisiana Recovery Corporation Act. Testimony was heard from the following officials of the State of Louisiana: John T. Schedler, member, State Senate; Juan A. LaFonta, member, State House; C. Ray Nagin, Mayor and John Batt, member, City Council, both with the City of New Orleans; and a public witness.

SELF-REGULATORY ORGANIZATIONS

Committee on Financial Institutions: Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises held a hearing entitled ''Self-Regulatory Organizations: Exploring the Need for Reform.'' Testimony was heard from public witnesses.

FEDERAL FINANCIAL MANAGEMENT

Committee on Government Reform: Subcommittee on Government Management, Finance and Accountability held a hearing entitled ''15 Years of the CFO Act—What is the Current State of Federal Financial Management?'' Testimony was heard from Linda Combs, Controller, Office of Federal Financial Management, OMB; and Jeffrey C. Steinhoff, Managing Director, Financial Management and Assurance, GAO.

BORDER SECURITY AND TERRORISM PREVENTION ACT OF 2005

Committee on Homeland Security: Ordered reported, as amended, H.R. 4312, Border Security and Terrorism Prevention Act of 2005.

TERRORISM RISK ASSESSMENT

Committee on Homeland Security: Subcommittee on Intelligence, Information Sharing and Terrorism Risk Assessment held a hearing entitled ''Terrorism Risk Assessment at the Department of Homeland Security.'' Testimony was heard from Melissa Smislova, Acting Director, Homeland Infrastructure Threat and Risk Analysis Center and Assistant Secretary, Intelligence and Analysis—Chief Intelligence Officer, Department of Homeland Security; and public witnesses.

WESTERN SAHARA STATUS

Committee on International Relations: Subcommittee on Africa, Global Human Rights and International Operations held a hearing on Getting to Yes: Resolving the 30-Year Conflict over the Status of Western Sahara. Testimony was heard from Senator Inhofe, Representative Lincoln Diaz-Balart of Florida; Gordon Gray, Deputy Assistant Secretary, Bureau for Near Eastern Affairs, Department of State; and public witnesses.

DEMOCRACY IN VENEZUELA

Committee on International Relations: Subcommittee on the Western Hemisphere held a hearing on Democracy in Venezuela. Testimony was heard from Thomas A. Shannon, Assistant Secretary, Bureau of Western Hemisphere Affairs, Department of State; and public witnesses.

OVERSIGHT—U.S.-MEXICO BORDER

Committee on the Judiciary: Subcommittee on Crime, Terrorism, and Homeland Security and the Subcommittee on Immigration, Border Security, and Claims held a joint oversight hearing on Weak Bilateral Law Enforcement Presence at the U.S.-Mexico Border: Territorial Integrity and Safety Issues for American Citizens. Testimony was heard from Chris Swecker, Assistant Director, Criminal Investigative Division, FBI, Department of Justice; the following officials of the Department of Homeland Security: William Reid, Acting Assistant Director, Office of Investigations, U.S. Immigration and Customs Enforcement; and Rey Garza, Deputy Chief Patrol Agent, U.S. Customs and Border Protection; and a public witness.

HOW ILLEGAL IMMIGRATION IMPACTS CONSTITUENCIES

Committee on the Judiciary: Subcommittee on Immigration, Border Security, and Claims continued oversight hearings entitled ''How Illegal Immigration Impacts Constituencies: Perspectives from Members of Congress, (Part II).''. Testimony was heard from Representatives Kingston, Blackburn, Carter and Lewis of Georgia

NEPA

Committee on Resources: NEPA Task Force held a hearing on NEPA: Lessons Learned and Next Steps. Testimony was heard from James L. Connaughton, Chairman, Council on Environmental Quality; and public witnesses.

OUTER CONTINENTAL SHELF NATURAL GAS RELIEF ACT

Committee on Resources: Subcommittee on Energy and Mineral Resources held a hearing on the Outer Continental Shelf Natural Gas Relief Act. Testimony was heard from public witnesses.

OVERSIGHT—COMBAT ILLEGAL DRUG FARMS IN NATIONAL PARKS

Committee on Resources: Subcommittee on National Parks held an oversight hearing on the National Parks Service's Efforts to Combat the Growth of Illegal Drug Farms in National Parks. Testimony was heard from Karen Taylor-Goodrich, Associate Director, Visitor and Resource Protection, National Park Service, Department of the Interior; and public witnesses.

SAME DAY CONSIDERATION OF CERTAIN RESOLUTIONS REPORTED BY THE RULES COMMITTEE

Committee on Rules: Granted, by voice vote, a rule waiving clause 6(a) of rule XIII (requiring a two-thirds vote to consider a rule on the same day it is reported from the Rules Committee) against certain resolutions reported from the Rules Committee. The rule applies the waiver to any special rule reported on the legislative day of November 18, 2005, providing for consideration or disposition of any of the following measures: (1) A bill or joint resolution making general appropriations for the fiscal year ending September 30, 2006, any amendment thereto, or any conference report thereon. (2) A conference report to accompany the bill (H.R. 3199) to extend and modify authorities needed to combat terrorism, and for other purposes. (3) A bill or joint resolution relating to flood insurance. (4) A bill to provide for reconciliation pursuant to section 201 of the concurrent resolution on the budget for fiscal year 2006.

CONFERENCE REPORT—MILITARY QUALITY OF LIFE AND VETERANS AFFAIRS AND RELATED AGENCIES APPROPRIATIONS ACT, 2006

Committee on Rules: Granted, by voice vote, a rule waiving all points of order against the conference report to accompany H.R. 2528, Military Quality of Life and Veterans Affairs and Related Agencies Appropriations Act, 2006, and against its consideration. The rule provides that the conference report shall be considered as read. Testimony was heard from Representative Walsh.

CONFERENCE REPORT—TRANSPORTATION, TREASURY, HOUSING AND URBAN DEVELOPMENT, THE JUDICIARY, THE DISTRICT OF COLUMBIA, AND INDEPENDENT AGENCIES APPROPRIATIONS ACT, 2006

Committee on Rules: Granted, by voice vote, a rule waiving all points of order against the conference report to accompany H.R. 3058, Departments of Transportation, Treasury, Housing and Urban Development, the Judiciary, the District of Columbia, and Independent Agencies Appropriations Act, 2006, and against its consideration. The rule provides that the conference report shall be considered as read.

NANOTECHNOLOGY

Committee on Science: Held a hearing on Environmental and Safety Impacts of Nanotechnology: What Research is Needed? Testimony was heard from David Rejeski, Director, Project on Emerging Nanotechnologies, Woodrow Wilson International Center for Scholars, The Smithsonian Institution; and public witnesses.

PASSPORTS TO AND FROM CANADA

Committee on Small Business: Held a hearing on Building a Wall Between Friends: Passports to and from Canada? Testimony was heard from Representative Slaughter; and public witnesses.

BRIEFING—GLOBAL UPDATES/HOTSPOTS

Permanent Select Committee on Intelligence: Met in executive session to receive a briefing on Global Updates/Hotspots. The Committee was briefed by departmental witnesses.

Joint Meetings

APPROPRIATIONS: MILITARY CONSTRUCTION AND VETERANS AFFAIRS

Conferees agreed to file a conference report on the differences between the Senate and House passed versions of H.R. 2528, making appropriations for Military Construction and Veterans Affairs, and Related Agencies for the fiscal year ending September 30, 2006.

COMMITTEE MEETINGS FOR FRIDAY, NOVEMBER 18, 2005

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Commerce, Science, and Transportation: to hold hearings to examine the future of science, 10 a.m., SD–562.

House

Committee on Ways and Means, to mark up H.R. 4340, United States-Bahrain Free Trade Agreement Implementation Act, 10 a.m., 1100 Longworth.

Next Meeting of the SENATE

9 a.m., Friday, November 18

Senate Chamber

Program for Friday: Senate will begin consideration of H.J. Res. 72, Continuing Resolution, with votes to occur on a Harkin amendment to be proposed thereto and final passage of the measure. Also, Senate expects to consider any other legislative and executive business, including any appropriation conference reports, when available.

Next Meeting of the HOUSE OF REPRESENTATIVES

9 a.m., Friday, November 18

House Chamber

Program for Friday: To be announced.

Congressional Record

The *Congressional Record* (USPS 087–390). The Periodicals postage is paid at Washington, D.C. The public proceedings of each House of Congress, as reported by the Official Reporters thereof, are printed pursuant to directions of the Joint Committee on Printing as authorized by appropriate provisions of Title 44, United States Code, and published for each day that one or both Houses are in session, excepting very infrequent instances when two or more unusually small consecutive issues are printed one time. ¶Public access to the *Congressional Record* is available online through *GPO Access*, a service of the Government Printing Office, free of charge to the user. The online database is updated each day the *Congressional Record* is published. The database includes both text and graphics from the beginning of the 103d Congress, 2d session (January 1994) forward. It is available through *GPO Access* at www.gpo.gov/gpoaccess. Customers can also access this information with WAIS client software, via telnet at swais.access.gpo.gov, or dial-in using communications software and a modem at 202–512–1661. Questions or comments regarding this database or *GPO Access* can be directed to the *GPO Access* User Support Team at: E-Mail: gpoaccess@gpo.gov; Phone 1–888–293–6498 (toll-free), 202–512–1530 (D.C. area); Fax: 202–512–1262. The Team's hours of availability are Monday through Friday, 7:00 a.m. to 5:30 p.m., Eastern Standard Time, except Federal holidays. ¶The *Congressional Record* paper and 24x microfiche edition will be furnished by mail to subscribers, free of postage, at the following prices: paper edition, $252.00 for six months, $503.00 per year, or purchased as follows: less than 200 pages, $10.50; between 200 and 400 pages, $21.00; greater than 400 pages, $31.50, payable in advance; microfiche edition, $146.00 per year, or purchased for $3.00 per issue payable in advance. The semimonthly *Congressional Record Index* may be purchased for the same per issue prices. To place an order for any of these products, visit the U.S. Government Online Bookstore at: bookstore.gpo.gov. Mail orders to: Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250–7954, or phone orders to 866–512–1800 (toll free), 202–512–1800 (D.C. area), or fax to 202–512–2250. Remit check or money order, made payable to the Superintendent of Documents, or use VISA, MasterCard, Discover, American Express, or GPO Deposit Account. ¶Following each session of Congress, the daily *Congressional Record* is revised, printed, permanently bound and sold by the Superintendent of Documents in individual parts or by sets. ¶With the exception of copyrighted articles, there are no restrictions on the republication of material from the *Congressional Record*.

POSTMASTER: Send address changes to the Superintendent of Documents, *Congressional Record,* U.S. Government Printing Office, Washington, D.C. 20402, along with the entire mailing label from the last issue received.