be proposed by him to the bill H.R. 636, supra; which was ordered to lie on the table.

SA 3563. Mr. HELLER submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, supra; which was ordered to lie on the table.

SA 3564. Mr. SASSE submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, supra; which was ordered to lie on the table.

TEXT OF AMENDMENTS

SA 3518. Mr. PAUL submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title II, add the following:

Subtitle ____—Arm All Pilots Act

SEC. ___01. SHORT TITLE.

This subtitle may be cited as the ''Arm All Pilots Act of 2016''.

SEC. ___02. FACILITATION OF AND LIMITATIONS ON TRAINING OF FEDERAL FLIGHT DECK OFFICERS.

(a) IMPROVED ACCESS TO TRAINING FACILITIES.—Section 44921(c)(2)(C)(ii) is amended—

(1) by striking ''The training of'' and inserting the following:

''(I) IN GENERAL.—The training of''; and

(2) by adding at the end the following:

''(II) ACCESS TO TRAINING FACILITIES.—Not later than 180 days after the date of the enactment of the Arm All Pilots Act of 2016, the Secretary shall—

''(aa) designate 5 additional firearms training facilities located in various regions of the United States for Federal flight deck officers relative to the number of such facilities available on the day before such date of enactment;

''(bb) designate firearms training facilities approved before such date of enactment for recurrent training of Federal flight deck officers as facilities approved for initial training and certification of pilots seeking to be deputized as Federal flight deck officers; and

''(cc) designate additional firearms training facilities for recurrent training of Federal flight deck officers relative to the number of such facilities available on the day before such date of enactment.''.

(b) FIREARMS REQUALIFICATION FOR FEDERAL FLIGHT DECK OFFICERS.—Section 44921(c)(2)(C)(iii) is amended—

(1) by striking ''The Under Secretary shall'' and inserting the following:

''(I) IN GENERAL.—The Secretary shall'';

(2) in subclause (I), as designated by paragraph (1), by striking ''the Under Secretary'' and inserting ''the Secretary, but not more frequently than once every 6 months,''; and

(3) by adding at the end the following:

''(II) USE OF FACILITIES FOR REQUALIFICATION.—The Secretary shall allow a Federal flight deck officer to requalify to carry a firearm under the program through training at a private or government-owned gun range certified to provide firearm requalification training.

''(III) SELF-REPORTING.—The Secretary shall determine that a Federal flight deck officer has met the requirements to requalify to carry a firearm under the program if—

''(aa) the officer reports to the Secretary that the officer has participated in a sufficient number of hours of training to requalify to carry a firearm under the program; and

''(bb) the administrator of the facility at which the officer conducted the requalification training verifies that the officer participated in that number of hours of training.''.

(c) LIMITATIONS ON TRAINING.—Section 44921(c)(2) is amended by adding at the end the following:

''(D) LIMITATIONS ON TRAINING.—

''(i) INITIAL TRAINING.—The Secretary may require—

''(I) initial training of not more than 5 days for a pilot to be deputized as a Federal flight deck officer;

''(II) the pilot to be physically present at the training facility for not more than 2 days of such training; and

''(III) not more than 3 days of such training to be in the form of certified online training administered by the Department of Homeland Security.

''(ii) RECURRENT TRAINING.—The Secretary may require—

''(I) recurrent training of not more than 2 days, not more frequently than once every 5 years, for a pilot to maintain deputization as a Federal flight deck officer;

''(II) the pilot to be physically present at the training facility for a full-day training session for not more than one day of such training; and

''(III) not more than one day of such training to be in the form of certified online training administered by the Department of Homeland Security.''.

(d) OTHER MEASURES TO FACILITATE TRAINING.—Section 44921(e) is amended—

(1) by striking ''Pilots participating'' and inserting the following:

''(1) IN GENERAL.—Pilots participating''; and

(2) by adding at the end the following:

''(2) FACILITATION OF TRAINING.—

''(A) TIME OFF FOR TRAINING.—An air carrier shall permit a Federal flight deck officer or a pilot seeking to be deputized as a Federal flight deck officer to take a reasonable amount of leave from work to participate in initial and recurrent training for the program. An air carrier shall not be obligated to provide such an officer or pilot compensation for such leave.

''(B) PRACTICE AMMUNITION.—At the request of a Federal flight deck officer, the Secretary shall provide to the officer sufficient practice ammunition to conduct at least one practice course every month.''.

SEC. ___03. CARRIAGE OF FIREARMS BY FEDERAL FLIGHT DECK OFFICERS.

(a) GENERAL AUTHORITY.—Section 44921(f) is amended—

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

(2) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—The Secretary shall authorize a Federal flight deck officer to carry a firearm while engaged in providing air transportation or intrastate air transportation. The authority provided to a Federal flight deck officer under this paragraph includes the authority to carry a firearm—

''(A) on the officer's body, loaded, and holstered;

''(B) when traveling to a flight duty assignment, throughout the duty assignment, and when traveling from a flight duty assignment to the officer's home or place where the officer is residing when traveling; and

''(C) in the passenger cabin and while traveling in a cockpit jump seat.

''(2) CONCEALED CARRY.—A Federal flight deck officer shall make reasonable efforts to keep the officer's firearm concealed when in public.

''(3) PURCHASE OF FIREARM BY OFFICER.—Notwithstanding subsection (c)(1), a Federal flight deck officer may purchase a firearm and carry that firearm aboard an aircraft of which the officer is the pilot in accordance with this section if the firearm is of a type that may be used under the program.''.

(b) CARRIAGE OF FIREARMS ON INTERNATIONAL FLIGHTS.—Paragraph (5) of section 44921(f), as redesignated by subsection (a)(1), is amended to read as follows:

''(5) CARRYING FIREARMS OUTSIDE UNITED STATES.—

''(A) IN GENERAL.—In consultation with the Secretary of State, the Secretary—

''(i) may take such action as may be necessary to ensure that a Federal flight deck officer may carry a firearm in a foreign country whenever necessary to participate in the program; and

''(ii) shall take such actions as are within the authority of the Secretary to ensure that a Federal flight deck officer may carry a firearm while engaged in providing foreign air transportation.

''(B) CONSISTENCY WITH FEDERAL AIR MARSHAL PROGRAM.—The Secretary shall work to make policies relating to the carriage of firearms on flights in foreign air transportation by Federal flight deck officers consistent with the policies of the Federal air marshal program for carrying firearms on such flights.''.

(c) CARRIAGE OF FIREARM IN PASSENGER CABIN.—

(1) RULE OF CONSTRUCTION.—Section 44921 is amended by adding at the end the following:

''(l) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to require a Federal flight deck officer to place a firearm in a locked container, or in any other manner render the firearm unavailable, when the cockpit door is opened.''.

(2) CONFORMING REPEAL.—Section 44921(b)(3) is amended—

(A) by striking subparagraph (G); and

(B) by redesignating subparagraphs (H) through (N) as subparagraphs (G) through (M), respectively.

(d) REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Homeland Security shall—

(1) prescribe regulations on the proper storage of firearms when a Federal flight deck officer is at home or where the officer is residing when traveling; and

(2) revise the procedural requirements established under section 44921(b)(1) of title 49, United States Code, to implement the amendments made by subsection (c).

SEC. ___04. PHYSICAL STANDARDS FOR FEDERAL FLIGHT DECK OFFICERS.

Section 44921(d)(2) is amended—

(1) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and by moving such clauses, as so redesignated, 2 ems to the right;

(2) by striking ''A pilot is'' and inserting the following:

''(A) IN GENERAL.—A pilot is''; and

(3) by adding at the end the following:

''(B) CONSISTENCY WITH REQUIREMENTS FOR CERTAIN MEDICAL CERTIFICATES.—In establishing standards under subparagraph (A)(ii), the Secretary may not establish medical or physical standards for a pilot to become a Federal flight deck officer that are inconsistent with or more stringent than the requirements of the Federal Aviation Administration for the issuance of a first- or second-class airman medical certificate under part 67 of title 14, Code of Federal Regulations (or any corresponding similar regulation or ruling).''.

SEC. ___05. TRANSFER OF FEDERAL FLIGHT DECK OFFICERS FROM INACTIVE TO ACTIVE STATUS.

Section 44921(d) is amended by adding at the end the following:

''(5) TRANSFER FROM INACTIVE TO ACTIVE STATUS.—A pilot deputized as a Federal

flight deck officer who moves to inactive status may return to active status after completing one program of recurrent training described in subsection (c).''.

SEC. ___06. FACILITATION OF SECURITY SCREENING OF FEDERAL FLIGHT DECK OFFICERS.

Section 44921, as amended by section ___03(c)(1), is further amended by adding at the end the following:

''(m) FACILITATION OF SECURITY SCREENING OF FEDERAL FLIGHT DECK OFFICERS.—

''(1) ELIGIBILITY FOR EXPEDITED SCREENING.—The Secretary shall allow a Federal flight deck officer to be screened through the crew member identity verification program of the Transportation Security Administration (commonly known as the 'Known Crew Member program') when entering the sterile area of an airport.

''(2) PROHIBITION ON PAPERWORK.—The Secretary may not require a Federal flight deck officer to fill out any forms or paperwork when entering the sterile area of an airport.

''(3) STERILE AREA DEFINED.—In this subsection, the term 'sterile area' has the meaning given that term in section 1540.5 of title 49, Code of Federal Regulations (or any corresponding similar regulation or ruling).''.

SEC. ___07. TECHNICAL CORRECTIONS.

Section 44921, as amended by this subtitle, is further amended—

(1) in subsection (a), by striking ''Under Secretary of Transportation for Security'' and inserting ''Secretary of Homeland Security'';

(2) in subsection (d)(4), by striking ''may,'' and inserting ''may'';

(3) in subsection (i)(2), by striking ''the Under Secretary may'' and inserting ''may'';

(4) in subsection (k)—

(A) by striking paragraphs (2) and (3); and

(B) by striking ''APPLICABILITY'' and all that follows through ''This section'' and inserting ''APPLICABILITY.—This section'';

(5) by adding at the end the following:

''(n) DEFINITIONS.—In this section:

''(1) PILOT.—The term 'pilot' means an individual who has final authority and responsibility for the operation and safety of the flight or any other flight deck crew member.

''(2) ALL-CARGO AIR TRANSPORTATION.—The term 'air transportation' includes all-cargo air transportation.''; and

(6) by striking ''Under Secretary'' each place it appears and inserting ''Secretary''.

SEC. ___08. REFUNDS OF CERTAIN SECURITY SERVICE FEES FOR AIR CARRIERS WITH FEDERAL FLIGHT DECK OFFICERS ON ALL FLIGHTS.

Section 44940 is amended by adding at the end the following:

''(j) REFUND OF FEES FOR AIR CARRIERS WITH FEDERAL FLIGHT DECK OFFICERS ON ALL FLIGHTS.—From fees received in a fiscal year under subsection (a)(1), each air carrier that certifies to the Secretary of Homeland Security that all flights operated by the air carrier have on board a pilot deputized as a Federal flight deck officer under section 44921 shall receive an amount equal to 10 percent of the fees collected under subsection (a)(1) from passengers on flights operated by that air carrier in that fiscal year.''.

SEC. ___09. TREATMENT OF INFORMATION ABOUT FEDERAL FLIGHT DECK OFFICERS AS SENSITIVE SECURITY INFORMATION.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Homeland Security shall revise section 15.5(b)(11) of title 49, Code of Federal Regulations, to classify information about pilots deputized as Federal flight deck officers under section 44921 of title 49, United States Code, as sensitive security information in a manner consistent with the classification of information about Federal air marshals.

SEC. ___10. REGULATIONS.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Homeland Security shall prescribe such regulations as may be necessary to carry out this Act and the amendments made by this Act.

SA 3519. Mr. TESTER (for himself and Mr. DAINES) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

On page 41, line 25, strike ''Section'' and insert the following:

(a) IN GENERAL.—Section

On page 42, between lines 7 and 8, insert the following:

(b) GRANDFATHER RULE.—Section 47109(c)(2) is amended by inserting ''or nonprimary commercial service airport that is'' after ''primary non-hub airport''.

SA 3520. Mr. TESTER (for himself, Mr. HOEVEN, and Ms. HEITKAMP) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

On page 201, between lines 9 and 10, insert the following:

(e) REPORT ON COSTS ASSOCIATED WITH AIR AMBULANCE OPERATIONS AND SOLUTIONS TO IMPROVE AFFORDABILITY.—

(1) STUDY.—The Comptroller General of the United States shall conduct a study of—

(A) the costs associated with conducting air ambulance operations;

(B) prices charged to consumers for air ambulance operations;

(C) methods for consumers to cover costs of air ambulance operations; and

(D) solutions to improve the overall affordability of air ambulance operations.

(2) CONSIDERATIONS.—In conducting the study required under paragraph (1), the Comptroller General shall consider—

(A) data pertaining to the final cost to the consumer for utilizing air ambulance operations;

(B) the frequency of inclusion of coverage for air ambulance operations in health insurance plans; and

(C) any unique qualities of air ambulance operations that would warrant additional Federal or State oversight on prices, routes, and service.

(3) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Comptroller General shall submit a report containing the results of the study conducted under this subsection and the Comptroller General's findings, conclusions, and recommendations to—

(A) the Committee on Appropriations of the Senate;

(B) the Committee on Commerce, Science, and Transportation of the Senate;

(C) the Committee on Health, Education, Labor, and Pensions of the Senate;

(D) the Committee on Finance of the Senate;

(E) the Committee on Appropriations of the House of Representatives;

(F) the Committee on Transportation and Infrastructure of the House of Representatives;

(G) the Committee on Education and the Workforce of the House of Representatives; and

(H) the Committee on Financial Services of the House of Representatives.

SA 3521. Mr. MURPHY submitted an amendment intended to be proposed by him to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. PERIODIC AUDITS BY INSPECTOR GENERAL OF THE DEPARTMENT OF TRANSPORTATION OF BUY AMERICAN ACT CONTRACTING COMPLIANCE.

(a) REQUIREMENT FOR PERIODIC AUDITS OF CONTRACTING COMPLIANCE.—The Inspector General of the Department of Transportation shall conduct periodic audits of contracting practices and policies related to procurement requirements under chapter 83 of title 41, United States Code.

(b) REQUIREMENT FOR ADDITIONAL INFORMATION IN SEMIANNUAL REPORTS.—The Inspector General of the Department of Transportation shall ensure that findings and other information resulting from audits conducted pursuant to subsection (a) are included in the semiannual report transmitted to congressional committees under section 8(f) of the Inspector General Act of 1978 (5 U.S.C. App).

SA 3522. Ms. CANTWELL (for herself, Mrs. MURRAY, and Mr. BLUMENTHAL) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

On page 189, strike lines 2 through 11, and insert the following:

(b) CONTENTS.—In revising the regulations under subsection (a), the Administrator shall ensure that a flight attendant scheduled to a duty period of 14 hours or less is given a scheduled rest period of at least 10 consecutive hours and that such rest period is not reduced under any circumstances.

SA 3523. Mr. SCOTT (for himself, Mr. GRAHAM, and Mr. ISAKSON) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. MODIFICATION OF CREDIT FOR PRODUCTION FROM ADVANCED NUCLEAR POWER FACILITIES.

(a) SPECIAL RULE FOR PUBLIC-PRIVATE PARTNERSHIPS.—

(1) IN GENERAL.—Section 45J of the Internal Revenue Code of 1986 is amended—

(A) by redesignating subsection (e) as subsection (f), and

(B) by inserting after subsection (d) the following new subsection:

''(e) SPECIAL RULE FOR PUBLIC-PRIVATE PARTNERSHIPS.—

''(1) TRANSFER OF CREDIT.—

''(A) IN GENERAL.—In the case of an advanced nuclear power facility which is owned by a public private partnership or co-owned by a qualified public entity and a non-public entity, any qualified public entity which is a member of such partnership or a co-owner of such facility may transfer such entity's allocation of the credit under subsection (a), or any portion thereof, to—

''(i) any non-public entity which is a member of such partnership or which is a co-owner of such facility,

''(ii) any person responsible for designing the facility, or

''(iii) any person responsible for, or participating in, construction of the facility.

Any amount transferred to another person under this paragraph shall be subject to the limitations under subsections (b) and (c) and section 38.

''(B) SPECIAL RULE FOR CERTAIN TAXPAYERS.—Under regulations promulgated by the Secretary, in the case of any person described in subparagraph (ii) and (iii) of subparagraph (A) to whom a credit is transferred—

''(i) such person shall be treated as an owner of the advanced nuclear power facility to which the credit relates, and

''(ii) such person shall be treated as the producer and seller of so much of the electricity produced and sold at such facility as bears the same ratio to all such electricity produced and sold as the amount of credit transferred under paragraph (1) bears to the total amount of credit allocated to the qualified public entity.

''(2) QUALIFIED PUBLIC ENTITY.—For purposes of this subsection, the term 'qualified public entity' means—

''(A) a Federal, State, or local government entity, or any political subdivision, agency, or instrumentality thereof,

''(B) a mutual or cooperative electric company described in section 501(c)(12) or section 1381(a)(2), or

''(C) a not-for-profit electric utility which has or had received a loan or loan guarantee under the Rural Electrification Act of 1936.

''(3) VERIFICATION OF TRANSFER OF ALLOCATION.—A qualified public entity that makes a transfer under paragraph (1), and a nonpublic entity that receives an allocation under such a transfer, shall provide verification of such transfer in such manner and at such time as the Secretary shall prescribe.

''(4) TREATMENT OF TRANSFER UNDER PRIVATE USE RULES.—For purposes of section 141(b)(1), any benefit derived by a non-public entity in connection with a transfer under paragraph (1) shall not be taken into account as a private business use.''.

(2) COORDINATION WITH GENERAL BUSINESS CREDIT.—Subsection (c) of section 38 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULE FOR CREDIT FOR PRODUCTION FROM ADVANCED NUCLEAR POWER FACILITIES.—

''(A) IN GENERAL.—In the case of the credit for production from advanced nuclear power facilities determined under section 45J(a), paragraph (1) shall not apply with respect to any qualified public entity (as defined in section 45J(e)(2)) which transfers the entity's allocation of such credit as provided in section 45J(e)(1).

''(B) VERIFICATION OF TRANSFER.—Subparagraph (A) shall not apply to any qualified public entity unless such entity provides verification of a transfer of credit allocation as required under section 45J(e)(3).''.

(b) SPECIAL RULE FOR PROCEEDS OF TRANSFERS FOR MUTUAL OR COOPERATIVE ELECTRIC COMPANIES.—Section 501(c)(12) of the Internal Revenue Code of 1986 is amended by adding at the end the following new subparagraph:

''(I) In the case of a mutual or cooperative electric company described in this paragraph or an organization described in section 1381(a)(2), income received or accrued from a transfer described in section 45J(e)(1) shall be treated as an amount collected from members for the sole purpose of meeting losses and expenses.''.

(c) PERMANENT EXTENSION FOR QUALIFICATION AS ADVANCED NUCLEAR POWER FACILITY.—Subparagraph (B) of section 45J(d)(1) of the Internal Revenue Code of 1986 is amended by striking ''and before January 1, 2021''.

(d) MODIFICATION OF LIMITATION.—Section 45J(b) of the Internal Revenue Code of 1986 is amended by striking paragraphs (3) and (4) and inserting the following:

''(3) ALLOCATION OF LIMITATION.—The Secretary shall allocate the national megawatt capacity limitation to each facility in an amount equal to the nameplate capacity of the facility in the order in which the facility was placed in service.''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraphs (2) and (3), the amendments made by this section shall apply to electricity produced in taxable years beginning after the date of the enactment of this Act.

(2) PROCEEDS OF MUTUAL OR COOPERATIVE ELECTRIC COMPANIES.—The amendment made by subsection (b) shall apply to taxable years beginning after the date of the enactment of this Act.

(3) ALLOCATION OF LIMITATION.—The amendment made by subsection (d) shall apply to allocations made after the date of the enactment of this Act.

SA 3524. Mr. BENNET submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; as follows:

Strike section 3113 and insert the following:

SEC. 3113. LASTING IMPROVEMENTS TO FAMILY TRAVEL.

(a) SHORT TITLE.—This section may be cited as the ''Lasting Improvements to Family Travel Act'' or the ''LIFT Act''.

(b) ACCOMPANYING MINORS FOR SECURITY SCREENING.—The Administrator of the Transportation Security Administration shall formalize security screening procedures that allow for one adult family caregiver to accompany a minor child throughout the entirety of the security screening process.

(c) SPECIAL ACCOMMODATIONS FOR PREGNANT WOMEN.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Transportation shall prescribe regulations under section 41705 of title 49, United States Code, that direct all air carriers to include pregnant women in their nondiscrimination policies, including policies with respect to preboarding or advance boarding of aircraft.

(d) FAMILY SEATING.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall prescribe regulations directing each air carrier to establish a policy that ensures that, if a family is traveling on a reservation with a child under the age of 13, that child is able to sit in a seat adjacent to the seat of an accompanying family member over the age of 13 at no additional cost.

SA 3525. Mr. MANCHIN submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

On page 121, line 26, strike ''shall'' and insert ''may''.

SA 3526. Mr. FLAKE (for himself and Mr. MCCAIN) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle E of title II, add the following:

SEC. 2506. AIRSPACE MANAGEMENT ADVISORY COMMITTEE.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Administrator shall establish an advisory committee to carry out the duties described in subsection (b).

(b) DUTIES.—The advisory committee shall—

(1) conduct a review of the practices and procedures of the Federal Aviation Administration for developing proposals with respect to changes in regulations, policies, or guidance of the Federal Aviation Administration relating to airspace that affect airport operations, airport capacity, the environment, or communities in the vicinity of airports, including—

(A) an assessment of the extent to which there is consultation, or a lack of consultation, with respect to such proposals—

(i) between and among the affected elements of the Federal Aviation Administration, including the Air Traffic Organization, the Office of Airports, the Flight Standards Service, the Office of NextGen, and the Office of Energy and Environment; and

(ii) between the Federal Aviation Administration and affected entities, including airports, aircraft operators, communities, and State and local governments;

(2) recommend revisions to such practices and procedures to improve communications and coordination between and among affected elements of the Federal Aviation Administration and with other affected entities with respect to proposals described in paragraph (1) and the potential effects of such proposals;

(3) conduct a review of the management by the Federal Aviation Administration of systems and information used to evaluate data relating to obstructions to air navigation or navigational facilities under part 77 of title 14, Code of Federal Regulations; and

(4) make recommendations to ensure that the data described in paragraph (3) is publicly accessible and streamlined to ensure developers, airport operators, and other interested parties may obtain relevant information concerning potential obstructions when working to preserve and create a safe and efficient navigable airspace.

(c) MEMBERSHIP.—The membership of the advisory committee established under subsection (a) shall include representatives of—

(1) air carriers, including passenger and cargo air carriers;

(2) general aviation, including business aviation and fixed wing aircraft and rotocraft;
(3) airports of various sizes and types;
(4) air traffic controllers; and
(5) State aviation officials.
(d) REPORT REQUIRED.—Not later than one year after the establishment of the advisory committee under subsection (a), the advisory committee shall submit to Congress a report on the actions taken by the advisory committee to carry out the duties described in subsection (b).

SA 3527. Mr. RUBIO (for himself, Mr. BLUNT, Mrs. CAPITO, Mr. CASSIDY, Mr. GRAHAM, Mr. MANCHIN, Mr. RISCH, Mrs. SHAHEEN, Mr. SULLIVAN, and Mr. VITTER) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE ___—VESSEL INCIDENTAL DISCHARGE ACT

SEC. __01. SHORT TITLE.

This title may be cited as the ''Vessel Incidental Discharge Act''.

SEC. __02. FINDINGS; PURPOSE.

(a) FINDINGS.—Congress makes the following findings:

(1) Since the enactment of the Act to Prevent Pollution from Ships (22 U.S.C. 1901 et seq.) in 1980, the United States Coast Guard has been the principal Federal authority charged with administering, enforcing, and prescribing regulations relating to the discharge of pollutants from vessels engaged in maritime commerce and transportation.

(2) The Coast Guard estimates there are approximately 21,560,000 State-registered recreational vessels, 75,000 commercial fishing vessels, and 33,000 freight and tank barges operating in United States waters.

(3) From 1973 to 2005, certain discharges incidental to the normal operation of a vessel were exempted by regulation from otherwise applicable permitting requirements.

(4) During the 32 years during which this regulatory exemption was in effect, Congress enacted several statutes to deal with the regulation of discharges incidental to the normal operation of a vessel, including—

(A) the Act to Prevent Pollution from Ships (33 U.S.C. 1901 et seq.) in 1980;

(B) the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C. 4701 et seq.);

(C) the National Invasive Species Act of 1996 (110 Stat. 4073);

(D) section 415 of the Coast Guard Authorization Act of 1998 (112 Stat. 3434) and section 623 of the Coast Guard and Maritime Transportation Act of 2004 (33 U.S.C. 1901 note), which established interim and permanent requirements, respectively, for the regulation of vessel discharges of certain bulk cargo residue;

(E) title XIV of division B of Appendix D of the Consolidated Appropriations Act, 2001 (114 Stat. 2763), which prohibited or limited certain vessel discharges in certain areas of Alaska;

(F) section 204 of the Maritime Transportation Security Act of 2002 (33 U.S.C. 1902a), which established requirements for the regulation of vessel discharges of agricultural cargo residue material in the form of hold washings; and

(G) title X of the Coast Guard Authorization Act of 2010 (33 U.S.C. 3801 et seq.), which provided for the implementation of the International Convention on the Control of Harmful Anti-Fouling Systems on Ships, 2001.

(b) PURPOSE.—The purpose of this title is to provide for the establishment of nationally uniform and environmentally sound standards and requirements for the management of discharges incidental to the normal operation of a vessel.

SEC. __03. DEFINITIONS.

In this title:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Environmental Protection Agency.

(2) AQUATIC NUISANCE SPECIES.—The term ''aquatic nuisance species'' means a nonindigenous species (including a pathogen) that threatens the diversity or abundance of native species or the ecological stability of navigable waters or commercial, agricultural, aquacultural, or recreational activities dependent on such waters.

(3) BALLAST WATER.—

(A) IN GENERAL.—The term ''ballast water'' means any water and water-suspended matter taken aboard a vessel—

(i) to control or maintain trim, list, draught, stability, or stresses of the vessel; or

(ii) during the cleaning, maintenance, or other operation of a ballast water treatment technology of the vessel.

(B) EXCLUSIONS.—The term ''ballast water'' does not include any substance that is added to water described in subparagraph (A) that is not directly related to the operation of a properly functioning ballast water treatment technology under this title.

(4) BALLAST WATER DISCHARGE STANDARD.—The term ''ballast water discharge standard'' means the numerical ballast water discharge standard set forth in section 151.2030 of title 33, Code of Federal Regulations or section 151.1511 of title 33, Code of Federal Regulations, as applicable, or a revised numerical ballast water discharge standard established under subsection (a)(1)(B), (b), or (c) of section __05.

(5) BALLAST WATER MANAGEMENT SYSTEM; MANAGEMENT SYSTEM.—The terms ''ballast water management system'' and ''management system'' mean any system, including all ballast water treatment equipment and associated control and monitoring equipment, used to process ballast water to kill, remove, render harmless, or avoid the uptake or discharge of organisms.

(6) BIOCIDE.—The term ''biocide'' means a substance or organism, including a virus or fungus, that is introduced into or produced by a ballast water management system to reduce or eliminate aquatic nuisance species as part of the process used to comply with a ballast water discharge standard under this title.

(7) DISCHARGE INCIDENTAL TO THE NORMAL OPERATION OF A VESSEL.—

(A) IN GENERAL.—The term ''discharge incidental to the normal operation of a vessel'' means—

(i) a discharge into navigable waters from a vessel of—

(I)(aa) ballast water, graywater, bilge water, cooling water, oil water separator effluent, anti-fouling hull coating leachate, boiler or economizer blowdown, byproducts from cathodic protection, controllable pitch propeller and thruster hydraulic fluid, distillation and reverse osmosis brine, elevator pit effluent, firemain system effluent, freshwater layup effluent, gas turbine wash water, motor gasoline and compensating effluent, refrigeration and air condensate effluent, seawater pumping biofouling prevention substances, boat engine wet exhaust, sonar dome effluent, exhaust gas scrubber washwater, or stern tube packing gland effluent; or

(bb) any other pollutant associated with the operation of a marine propulsion system, shipboard maneuvering system, habitability system, or installed major equipment, or from a protective, preservative, or absorptive application to the hull of a vessel;

(II) weather deck runoff, deck wash, aqueous film forming foam effluent, chain locker effluent, non-oily machinery wastewater, underwater ship husbandry effluent, welldeck effluent, or fish hold and fish hold cleaning effluent; or

(III) any effluent from a properly functioning marine engine; or

(ii) a discharge of a pollutant into navigable waters in connection with the testing, maintenance, or repair of a system, equipment, or engine described in subclause (I)(bb) or (III) of clause (i) whenever the vessel is waterborne.

(B) EXCLUSIONS.—The term ''discharge incidental to the normal operation of a vessel'' does not include—

(i) a discharge into navigable waters from a vessel of—

(I) rubbish, trash, garbage, incinerator ash, or other such material discharged overboard;

(II) oil or a hazardous substance as those terms are defined in section 311 of the Federal Water Pollution Control Act (33 U.S.C. 1321);

(III) sewage as defined in section 312(a)(6) of the Federal Water Pollution Control Act (33 U.S.C. 1322(a)(6)); or

(IV) graywater referred to in section 312(a)(6) of the Federal Water Pollution Control Act (33 U.S.C. 1322(a)(6));

(ii) an emission of an air pollutant resulting from the operation onboard a vessel of a vessel propulsion system, motor driven equipment, or incinerator; or

(iii) a discharge into navigable waters from a vessel when the vessel is operating in a capacity other than as a means of transportation on water.

(8) GEOGRAPHICALLY LIMITED AREA.—The term ''geographically limited area'' means an area—

(A) with a physical limitation, including limitation by physical size and limitation by authorized route such as the Great Lakes and St. Lawrence River, that prevents a vessel from operating outside the area, as determined by the Secretary; or

(B) that is ecologically homogeneous, as determined by the Secretary, in consultation with the heads of other Federal departments or agencies as the Secretary considers appropriate.

(9) MANUFACTURER.—The term ''manufacturer'' means a person engaged in the manufacture, assemblage, or importation of ballast water treatment technology.

(10) NAVIGABLE WATERS.—The term ''navigable waters'' has the meaning given the term in section 2.36 of title 33, Code of Federal Regulations, as in effect on the date of the enactment of this Act.

(11) SECRETARY.—The term ''Secretary'' means the Secretary of the department in which the Coast Guard is operating.

(12) VESSEL.—The term ''vessel'' means every description of watercraft or other artificial contrivance used, or practically or otherwise capable of being used, as a means of transportation on water.

SEC. __04. REGULATION AND ENFORCEMENT.

(a) IN GENERAL.—

(1) ESTABLISHMENT.—The Secretary, in consultation with the Administrator, shall establish, implement, and enforce uniform national standards and requirements for the regulation of discharges incidental to the normal operation of a vessel.

(2) BASIS.—Except as provided under paragraph (3), the standards and requirements established under paragraph (1)—

(A) with respect to ballast water, shall be based upon the best available technology that is economically achievable;

(B) with respect to discharges incidental to the normal operation of a vessel other than ballast water, shall be based on best management practices; and

(C) shall supersede any permitting requirement or prohibition on discharges incidental to the normal operation of a vessel under any other provision of law.

(3) RULE OF CONSTRUCTION.—The standards and requirements established under paragraph (1) shall not supersede regulations, in place on the date of the enactment of this Act or established by a rulemaking proceeding after such date of enactment, which cover a discharge in a national marine sanctuary or in a marine national monument.

(b) ADMINISTRATION AND ENFORCEMENT.—The Secretary shall administer and enforce the uniform national standards and requirements under this title. Each State may enforce the uniform national standards and requirements under this title.

(c) SANCTIONS.—

(1) CIVIL PENALTIES.—

(A) BALLAST WATER.—Any person who violates a regulation issued pursuant to this title regarding a discharge incidental to the normal operation of a vessel of ballast water shall be liable for a civil penalty in an amount not to exceed $25,000. Each day of a continuing violation constitutes a separate violation.

(B) OTHER DISCHARGE.—Any person who violates a regulation issued pursuant to this title regarding a discharge incidental to the normal operation of a vessel other than ballast water shall be liable for a civil penalty in an amount not to exceed $10,000. Each day of a continuing violation constitutes a separate violation.

(C) IN REM LIABILITY.—A vessel operated in violation of a regulation issued under this title shall be liable in rem for any civil penalty assessed under this subsection for that violation.

(2) CRIMINAL PENALTIES.—

(A) BALLAST WATER.—Any person who knowingly violates a regulation issued pursuant to this title regarding a discharge incidental to the normal operation of a vessel of ballast water shall be punished by a fine of not more than $100,000, imprisonment for not more than 2 years, or both.

(B) OTHER DISCHARGE.—Any person who knowingly violates a regulation issued pursuant to this title regarding a discharge incidental to the normal operation of a vessel other than ballast water shall be punished by a fine of not more than $50,000, imprisonment for not more than 1 year, or both.

(3) REVOCATION OF CLEARANCE.—The Secretary shall withhold or revoke the clearance of a vessel required under section 60105 of title 46, United States Code, if the owner or operator of the vessel is in violation of a regulation issued pursuant to this Act.

(4) EXCEPTION TO SANCTIONS.—It shall be an affirmative defense to any charge of a violation of this title that compliance with this title would, because of adverse weather, equipment failure, or any other relevant condition, have threatened the safety or stability of a vessel, its crew, or its passengers.

SEC. _05. UNIFORM NATIONAL STANDARDS AND REQUIREMENTS FOR THE REGULATION OF DISCHARGES INCIDENTAL TO THE NORMAL OPERATION OF A VESSEL.

(a) REQUIREMENTS.—

(1) BALLAST WATER MANAGEMENT REQUIREMENTS.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the requirements set forth in the final rule, Standards for Living Organisms in Ships' Ballast Water Discharged in U.S. Waters (77 Fed. Reg. 17254 (March 23, 2012), as corrected at 77 Fed. Reg. 33969 (June 8, 2012)), shall be the management requirements for a ballast water discharge incidental to the normal operation of a vessel until the Secretary revises the ballast water discharge standard under subsection (b) or adopts a more stringent State standard under subparagraph (B).

(B) ADOPTION OF MORE STRINGENT STATE STANDARD.—If the Secretary makes a determination in favor of a State petition under section 610, the Secretary shall adopt the more stringent ballast water discharge standard specified in the statute or regulation that is the subject of that State petition instead of the ballast water discharge standard in the final rule described under subparagraph (A).

(2) INITIAL MANAGEMENT REQUIREMENTS FOR DISCHARGES OTHER THAN BALLAST WATER.—Not later than 2 years after the date of enactment of this Act, the Secretary, in consultation with the Administrator, shall issue a final rule establishing best management practices for discharges incidental to the normal operation of a vessel other than ballast water.

(b) REVISED BALLAST WATER DISCHARGE STANDARD; 8-YEAR REVIEW.—

(1) IN GENERAL.—Subject to the feasibility review under paragraph (2), not later than January 1, 2024, the Secretary, in consultation with the Administrator, shall issue a final rule revising the ballast water discharge standard under subsection (a)(1) so that a ballast water discharge incidental to the normal operation of a vessel will contain—

(A) less than 1 organism that is living or has not been rendered harmless per 10 cubic meters that is 50 or more micrometers in minimum dimension;

(B) less than 1 organism that is living or has not been rendered harmless per 10 milliliters that is less than 50 micrometers in minimum dimension and more than 10 micrometers in minimum dimension;

(C) concentrations of indicator microbes that are less than—

(i) 1 colony-forming unit of toxicogenic Vibrio cholera (serotypes O1 and O139) per 100 milliliters or less than 1 colony-forming unit of that microbe per gram of wet weight of zoological samples;

(ii) 126 colony-forming units of Escherichia coli per 100 milliliters; and

(iii) 33 colony-forming units of intestinal enterococci per 100 milliliters; and

(D) concentrations of such additional indicator microbes and of viruses as may be specified in regulations issued by the Secretary in consultation with the Administrator and such other Federal agencies as the Secretary and the Administrator consider appropriate.

(2) FEASIBILITY REVIEW.—

(A) IN GENERAL.—Not less than 2 years before January 1, 2024, the Secretary, in consultation with the Administrator, shall complete a review to determine the feasibility of achieving the revised ballast water discharge standard under paragraph (1).

(B) CRITERIA FOR REVIEW OF BALLAST WATER DISCHARGE STANDARD.—In conducting a review under subparagraph (A), the Secretary shall consider whether revising the ballast water discharge standard will result in a scientifically demonstrable and substantial reduction in the risk of introduction or establishment of aquatic nuisance species, taking into account—

(i) improvements in the scientific understanding of biological and ecological processes that lead to the introduction or establishment of aquatic nuisance species;

(ii) improvements in ballast water management systems, including—

(I) the capability of such management systems to achieve a revised ballast water discharge standard;

(II) the effectiveness and reliability of such management systems in the shipboard environment;

(III) the compatibility of such management systems with the design and operation of a vessel by class, type, and size;

(IV) the commercial availability of such management systems; and

(V) the safety of such management systems;

(iii) improvements in the capabilities to detect, quantify, and assess the viability of aquatic nuisance species at the concentrations under consideration;

(iv) the impact of ballast water management systems on water quality; and

(v) the costs, cost-effectiveness, and impacts of—

(I) a revised ballast water discharge standard, including the potential impacts on shipping, trade, and other uses of the aquatic environment; and

(II) maintaining the existing ballast water discharge standard, including the potential impacts on water-related infrastructure, recreation, propagation of native fish, shellfish, and wildlife, and other uses of navigable waters.

(C) LOWER REVISED DISCHARGE STANDARD.—

(i) IN GENERAL.—If the Secretary, in consultation with the Administrator, determines on the basis of the feasibility review and after an opportunity for a public hearing that no ballast water management system can be certified under section _06 to comply with the revised ballast water discharge standard under paragraph (1), the Secretary shall require the use of the management system that achieves the performance levels of the best available technology that is economically achievable.

(ii) IMPLEMENTATION DEADLINE.—If the Secretary, in consultation with the Administrator, determines that the management system under clause (i) cannot be implemented before the implementation deadline under paragraph (3) with respect to a class of vessels, the Secretary shall extend the implementation deadline for that class of vessels for not more than 36 months.

(iii) COMPLIANCE.—If the implementation deadline under paragraph (3) is extended, the Secretary shall recommend action to ensure compliance with the extended implementation deadline under clause (ii).

(D) HIGHER REVISED DISCHARGE STANDARD.—

(i) IN GENERAL.—If the Secretary, in consultation with the Administrator, determines that a ballast water management system exists that exceeds the revised ballast water discharge standard under paragraph (1) with respect to a class of vessels and is the best available technology that is economically achievable, the Secretary shall revise the ballast water discharge standard for that class of vessels to incorporate the higher discharge standard.

(ii) IMPLEMENTATION DEADLINE.—If the Secretary, in consultation with the Administrator, determines that the management system under clause (i) can be implemented before the implementation deadline under paragraph (3) with respect to a class of vessels, the Secretary shall accelerate the implementation deadline for that class of vessels. If the implementation deadline under paragraph (3) is accelerated, the Secretary shall provide not less than 24 months notice before the accelerated deadline takes effect.

(3) IMPLEMENTATION DEADLINE.—The revised ballast water discharge standard under paragraph (1) shall apply to a vessel beginning on the date of the first drydocking of

the vessel on or after January 1, 2024, but not later than December 31, 2026.

(4) REVISED DISCHARGE STANDARD COMPLIANCE DEADLINES.—

(A) IN GENERAL.—The Secretary may establish a compliance deadline for compliance by a vessel (or a class, type, or size of vessel) with a revised ballast water discharge standard under this subsection.

(B) PROCESS FOR GRANTING EXTENSIONS.—In issuing regulations under this subsection, the Secretary shall establish a process for an owner or operator to submit a petition to the Secretary for an extension of a compliance deadline with respect to the vessel of the owner or operator.

(C) PERIOD OF EXTENSIONS.—An extension issued under subparagraph (B) may—

(i) apply for a period of not to exceed 18 months from the date of the applicable deadline under subparagraph (A); and

(ii) be renewable for an additional period of not to exceed 18 months.

(D) FACTORS.—In issuing a compliance deadline or reviewing a petition under this paragraph, the Secretary shall consider, with respect to the ability of an owner or operator to meet a compliance deadline, the following factors:

(i) Whether the management system to be installed is available in sufficient quantities to meet the compliance deadline.

(ii) Whether there is sufficient shipyard or other installation facility capacity.

(iii) Whether there is sufficient availability of engineering and design resources.

(iv) Vessel characteristics, such as engine room size, layout, or a lack of installed piping.

(v) Electric power generating capacity aboard the vessel.

(vi) Safety of the vessel and crew.

(vii) Any other factors the Secretary considers appropriate, including the availability of a ballast water reception facility or other means of managing ballast water.

(E) CONSIDERATION OF PETITIONS.—

(i) DETERMINATIONS.—The Secretary shall approve or deny a petition for an extension of a compliance deadline submitted by an owner or operator under this paragraph.

(ii) DEADLINE.—If the Secretary does not approve or deny a petition referred to in clause (i) on or before the last day of the 90-day period beginning on the date of submission of the petition, the petition shall be deemed approved.

(c) FUTURE REVISIONS OF VESSEL INCIDENTAL DISCHARGE STANDARDS; DECENNIAL REVIEWS.—

(1) REVISED BALLAST WATER DISCHARGE STANDARDS.—The Secretary, in consultation with the Administrator, shall complete a review, 10 years after the issuance of a final rule under subsection (b) and every 10 years thereafter, to determine whether further revision of the ballast water discharge standard would result in a scientifically demonstrable and substantial reduction in the risk of the introduction or establishment of aquatic nuisance species.

(2) REVISED STANDARDS FOR DISCHARGES OTHER THAN BALLAST WATER.—The Secretary, in consultation with the Administrator, may include in a decennial review under this subsection best management practices for discharges covered by subsection (a)(2). The Secretary shall initiate a rulemaking to revise 1 or more best management practices for such discharges after a decennial review if the Secretary, in consultation with the Administrator, determines that revising 1 or more of such practices would substantially reduce the impacts on navigable waters of discharges incidental to the normal operation of a vessel other than ballast water.

(3) CONSIDERATIONS.—In conducting a review under paragraph (1), the Secretary, the Administrator, and the heads of other Federal agencies as the Secretary considers appropriate, shall consider the criteria under section __05(b)(2)(B).

(4) REVISION AFTER DECENNIAL REVIEW.—The Secretary shall initiate a rulemaking to revise the current ballast water discharge standard after a decennial review if the Secretary, in consultation with the Administrator, determines that revising the current ballast water discharge standard would result in a scientifically demonstrable and substantial reduction in the risk of the introduction or establishment of aquatic nuisance species.

(d) ALTERNATIVE BALLAST WATER MANAGEMENT REQUIREMENTS.—Nothing in this title may be construed to preclude the Secretary from authorizing the use of alternate means or methods of managing ballast water (including flow-through exchange, empty/refill exchange, and transfer to treatment facilities in place of a vessel ballast water management system required under this section) if the Secretary, in consultation with the Administrator, determines that such means or methods would not pose a greater risk of introduction of aquatic nuisance species in navigable waters than the use of a ballast water management system that achieves the applicable ballast water discharge standard.

(e) GREAT LAKES REQUIREMENTS.—In addition to the other standards and requirements imposed by this section, in the case of a vessel that enters the Great Lakes through the St. Lawrence River after operating outside the exclusive economic zone of the United States the Secretary, in consultation with the Administrator, shall establish a requirement that the vessel conduct saltwater flushing of all ballast water tanks onboard prior to entry.

SEC. __06. TREATMENT TECHNOLOGY CERTIFICATION.

(a) CERTIFICATION REQUIRED.—Beginning on the date that is 1 year after the date on which the requirements for testing protocols are issued under subsection (i), no manufacturer of a ballast water management system shall sell, offer for sale, or introduce or deliver for introduction into interstate commerce, or import into the United States for sale or resale, a ballast water management system for a vessel unless it has been certified under this section.

(b) CERTIFICATION PROCESS.—

(1) EVALUATION.—Upon application of a manufacturer, the Secretary shall evaluate a ballast water management system with respect to—

(A) the effectiveness of the management system in achieving the current ballast water discharge standard when installed on a vessel (or a class, type, or size of vessel);

(B) the compatibility with vessel design and operations;

(C) the effect of the management system on vessel safety;

(D) the impact on the environment;

(E) the cost effectiveness; and

(F) any other criteria the Secretary considers appropriate.

(2) APPROVAL.—If after an evaluation under paragraph (1) the Secretary determines that the management system meets the criteria, the Secretary may certify the management system for use on a vessel (or a class, type, or size of vessel).

(3) SUSPENSION AND REVOCATION.—The Secretary shall establish, by regulation, a process to suspend or revoke a certification issued under this section.

(c) CERTIFICATION CONDITIONS.—

(1) IMPOSITION OF CONDITIONS.—In certifying a ballast water management system under this section, the Secretary, in consultation with the Administrator, may impose any condition on the subsequent installation, use, or maintenance of the management system onboard a vessel as is necessary for—

(A) the safety of the vessel, the crew of the vessel, and any passengers aboard the vessel;

(B) the protection of the environment; or

(C) the effective operation of the management system.

(2) FAILURE TO COMPLY.—The failure of an owner or operator to comply with a condition imposed under paragraph (1) shall be considered a violation of this section.

(d) PERIOD FOR USE OF INSTALLED TREATMENT EQUIPMENT.—Notwithstanding anything to the contrary in this title or any other provision of law, the Secretary shall allow a vessel on which a management system is installed and operated to meet a ballast water discharge standard under this title to continue to use that system, notwithstanding any revision of a ballast water discharge standard occurring after the management system is ordered or installed until the expiration of the service life of the management system, as determined by the Secretary, if the management system—

(1) is maintained in proper working condition; and

(2) is maintained and used in accordance with the manufacturer's specifications and any management system certification conditions imposed by the Secretary under this section.

(e) CERTIFICATES OF TYPE APPROVAL FOR THE TREATMENT TECHNOLOGY.—

(1) ISSUANCE.—If the Secretary approves a ballast water management system for certification under subsection (b), the Secretary shall issue a certificate of type approval for the management system to the manufacturer in such form and manner as the Secretary determines appropriate.

(2) CERTIFICATION CONDITIONS.—A certificate of type approval issued under paragraph (1) shall specify each condition imposed by the Secretary under subsection (c).

(3) OWNERS AND OPERATORS.—A manufacturer that receives a certificate of type approval for the management system under this subsection shall provide a copy of the certificate to each owner and operator of a vessel on which the management system is installed.

(f) INSPECTIONS.—An owner or operator who receives a copy of a certificate under subsection (e)(3) shall retain a copy of the certificate onboard the vessel and make the copy of the certificate available for inspection at all times while the owner or operator is utilizing the management system.

(g) BIOCIDES.—The Secretary may not approve a ballast water management system under subsection (b) if—

(1) it uses a biocide or generates a biocide that is a pesticide, as defined in section 2 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136), unless the biocide is registered under that Act or the Secretary, in consultation with Administrator, has approved the use of the biocide in such management system; or

(2) it uses or generates a biocide the discharge of which causes or contributes to a violation of a water quality standard under section 303 of the Federal Water Pollution Control Act (33 U.S.C. 1313).

(h) PROHIBITION.—

(1) IN GENERAL.—Except as provided in paragraph (2), the use of a ballast water management system by an owner or operator of a vessel shall not satisfy the requirements of this title unless it has been approved by the Secretary under subsection (b).

(2) EXCEPTIONS.—

(A) COAST GUARD SHIPBOARD TECHNOLOGY EVALUATION PROGRAM.—An owner or operator may use a ballast water management system that has not been certified by the Secretary

to comply with the requirements of this section if the technology is being evaluated under the Coast Guard Shipboard Technology Evaluation Program.

(B) BALLAST WATER MANAGEMENT SYSTEMS CERTIFIED BY FOREIGN ENTITIES.—An owner or operator may use a ballast water management system that has not been certified by the Secretary to comply with the requirements of this section if the management system has been certified by a foreign entity and the certification demonstrates performance and and safety of the management system equivalent to the requirements of this section, as determined by the Secretary.

(i) TESTING PROTOCOLS.—Not later than 180 days after the date of the enactment of this Act, the Administrator, in consultation with the Secretary, shall issue requirements for land-based and shipboard testing protocols or criteria for—

(1) certifying the performance of each ballast water management system under this section; and

(2) certifying laboratories to evaluate such treatment technologies.

SEC. __07. EXEMPTIONS.

(a) INCIDENTAL DISCHARGES.—Except in a national marine sanctuary or a marine national monument, no permit shall be required or prohibition enforced under any other provision of law for, nor shall any standards regarding a discharge incidental to the normal operation of a vessel under this title apply to—

(1) a discharge incidental to the normal operation of a vessel if the vessel is less than 79 feet in length and engaged in commercial service (as such terms are defined in section 2101(5) of title 46, United States Code);

(2) a discharge incidental to the normal operation of a vessel if the vessel is a fishing vessel, including a fish processing vessel and a fish tender vessel, (as defined in section 2101 of title 46, United States Code); or

(3) a discharge incidental to the normal operation of a vessel if the vessel is a recreational vessel (as defined in section 2101(25) of title 46, United States Code).

(b) DISCHARGES INTO NAVIGABLE WATERS.—No permit shall be required or prohibition enforced under any other provision of law for, nor shall any standards regarding a discharge incidental to the normal operation of a vessel under this title apply to—

(1) any discharge into navigable waters from a vessel authorized by an on-scene coordinator in accordance with part 300 of title 40, Code of Federal Regulations, or part 153 of title 33, Code of Federal Regulations;

(2) any discharge into navigable waters from a vessel that is necessary to secure the safety of the vessel or human life, or to suppress a fire onboard the vessel or at a shoreside facility; or

(3) a vessel of the armed forces of a foreign nation when engaged in noncommercial service.

(c) BALLAST WATER DISCHARGES.—No permit shall be required or prohibition enforced under any other provision of law for, nor shall any ballast water discharge standard under this title apply to—

(1) a ballast water discharge incidental to the normal operation of a vessel determined by the Secretary to—

(A) operate exclusively within a geographically limited area;

(B) take up and discharge ballast water exclusively within 1 Captain of the Port Zone established by the Coast Guard unless the Secretary determines such discharge poses a substantial risk of introduction or establishment of an aquatic nuisance species;

(C) operate pursuant to a geographic restriction issued as a condition under section 3309 of title 46, United States Code, or an equivalent restriction issued by the country of registration of the vessel; or

(D) continuously take on and discharge ballast water in a flow-through system that does not introduce aquatic nuisance species into navigable waters;

(2) a ballast water discharge incidental to the normal operation of a vessel consisting entirely of water sourced from a United States public water system that meets the requirements under the Safe Drinking Water Act (42 U.S.C. 300f et seq.) or from a foreign public water system determined by the Administrator to be suitable for human consumption; or

(3) a ballast water discharge incidental to the normal operation of a vessel in an alternative compliance program established pursuant to section __08.

(d) VESSELS WITH PERMANENT BALLAST WATER.—No permit shall be required or prohibition enforced regarding a ballast water discharge incidental to the normal operation of a vessel under any other provision of law for, nor shall any ballast water discharge standard under this title apply to, a vessel that carries all of its permanent ballast water in sealed tanks that are not subject to discharge.

(e) VESSELS OF THE ARMED FORCES.—Nothing in this title may be construed to apply to—

(1) a vessel owned or operated by the Department of Defense (other than a time-chartered or voyage-chartered vessel); or

(2) a vessel of the Coast Guard, as designated by the Secretary of the department in which the Coast Guard is operating.

SEC. __08. ALTERNATIVE COMPLIANCE PROGRAM.

(a) IN GENERAL.—The Secretary, in consultation with the Administrator, may promulgate regulations establishing 1 or more compliance programs as an alternative to ballast water management regulations issued under section __05 for a vessel that—

(1) has a maximum ballast water capacity of less than 8 cubic meters; or

(2) is less than 3 years from the end of the useful life of the vessel, as determined by the Secretary.

(b) RULEMAKING.—

(1) FACILITY STANDARDS.—Not later than 1 year after the date of the enactment of this Act, the Administrator, in consultation with the Secretary, shall promulgate standards for—

(A) the reception of ballast water from a vessel into a reception facility; and

(B) the disposal or treatment of the ballast water under paragraph (1).

(2) TRANSFER STANDARDS.—The Secretary, in consultation with the Administrator, is authorized to promulgate standards for the arrangements necessary on a vessel to transfer ballast water to a facility.

SEC. __09. JUDICIAL REVIEW.

(a) IN GENERAL.—An interested person may file a petition for review of a final regulation promulgated under this title in the United States Court of Appeals for the District of Columbia Circuit.

(b) DEADLINE.—A petition shall be filed not later than 120 days after the date that notice of the promulgation appears in the Federal Register.

(c) EXCEPTION.—Notwithstanding subsection (b), a petition that is based solely on grounds that arise after the deadline to file a petition under subsection (b) has passed may be filed not later than 120 days after the date that the grounds first arise.

SEC. __10. EFFECT ON STATE AUTHORITY.

(a) IN GENERAL.—No State or political subdivision thereof may adopt or enforce any statute or regulation of the State or political subdivision with respect to a discharge incidental to the normal operation of a vessel after the date of enactment of this Act.

(b) SAVINGS CLAUSE.—Notwithstanding subsection (a), a State or political subdivision thereof may adopt or enforce a statute or regulation of the State or political subdivision with respect to ballast water discharges incidental to the normal operation of a vessel that specifies a ballast water discharge standard that is more stringent than the ballast water discharge standard under section __05(a)(1)(A) if the Secretary, after consultation with the Administrator and any other Federal department or agency the Secretary considers appropriate, makes a determination that—

(1) compliance with any discharge standard specified in the statute or regulation can in fact be achieved and detected;

(2) the technology and systems necessary to comply with the statute or regulation are commercially available and economically achievable; and

(3) the statute or regulation is consistent with obligations under relevant international treaties or agreements to which the United States is a party.

(c) PETITION PROCESS.—

(1) SUBMISSION.—The Governor of a State seeking to adopt or enforce a statute or regulation under subsection (b) shall submit a petition to the Secretary requesting the Secretary to review the statute or regulation.

(2) CONTENTS; TIMING.—A petition shall be accompanied by the scientific and technical information on which the petition is based, and may be submitted within 1 year of the date of enactment of this Act and every 10 years thereafter.

(3) DETERMINATIONS.—The Secretary shall make a determination on a petition under this subsection not later than 90 days after the date on which the Secretary determines that a complete petition has been received.

SEC. __11. APPLICATION WITH OTHER STATUTES.

(a) EXCLUSIVE STATUTORY AUTHORITY.—Except as otherwise provided in this section and notwithstanding any other provision of law, this title shall be the exclusive statutory authority for regulation by the Federal Government of discharges incidental to the normal operation of a vessel to which this title applies.

(b) EFFECT OF EXISTING REGULATIONS.—Except as provided under section __05(a)(1)(A), any regulation in effect on the date immediately preceding the effective date of this Act relating to any permitting requirement for or prohibition on discharges incidental to the normal operation of a vessel to which this title applies—

(1) shall be deemed to be a regulation issued pursuant to the authority of this title; and

(2) shall remain in full force and effect unless or until superseded by new regulations issued under this title.

(c) ACT TO PREVENT POLLUTION FROM SHIPS.—The Act to Prevent Pollution from Ships (33 U.S.C. 1901 et seq.) shall be the exclusive statutory authority for the regulation by the Federal Government of any discharge or emission that is covered under the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978, done at London February 17, 1978. Nothing in this title may be construed to alter or amend such Act or any regulation issued pursuant to the authority of such Act.

(d) TITLE X OF THE COAST GUARD AND MARITIME TRANSPORTATION ACT OF 2010.—Title X of the Coast Guard and Maritime Transportation Act of 2010 (33 U.S.C. 3801 et seq.) shall be the exclusive statutory authority for the regulation by the Federal Government of any anti-fouling system that is covered under the International Convention on the Control of Harmful Anti-Fouling Systems on

Ships, 2001. Nothing in this title may be construed to alter or amend such title X or any regulation issued pursuant to the authority under such title.

SEC. __12. RELATIONSHIP TO OTHER LAWS.

Section 1205 of the Nonindigenous Aquatic Nuisance Prevention and Control Act of 1990 (16 U.S.C. 4725) is amended—

(1) by striking ''All actions'' and inserting the following:

''(a) IN GENERAL.—Except as provided in subsection (b), all actions''; and

(2) by adding at the end the following:

''(b) VESSEL INCIDENTAL DISCHARGES.—Notwithstanding subsection (a), the Vessel Incidental Discharge Act shall be the exclusive statutory authority for the regulation by the Federal Government of discharges incidental to the normal operation of a vessel.''.

SEC. __13. SAVINGS PROVISION.

Any action taken by the Federal Government under this Act shall be in full compliance with its obligations under applicable provisions of international law.

SA 3528. Mr. RUBIO (for himself and Mr. CORNYN) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. CUBAN IMMIGRANTS.

(a) SHORT TITLE.—This section may be cited as the ''Cuban Immigrant Work Opportunity Act of 2016''.

(b) CERTAIN CUBANS INELIGIBLE FOR REFUGEE ASSISTANCE.—

(1) IN GENERAL.—Title V of the Refugee Education Assistance Act of 1980 (8 U.S.C. 1522 note) is amended—

(A) in the title heading, by striking ''**CUBAN AND**'';

(B) in section 501—

(i) by striking ''Cuban and'' each place such phrase appears;

(ii) in subsection (d), by striking ''Cuban or''; and

(iii) in subsection (e)—

(I) in paragraph (1)—

(aa) by striking ''Cuban/'' and

(bb) by striking ''Cuba or''; and

(II) in paragraph (2), by striking ''Cuba or''.

(2) CONFORMING AMENDMENTS.—

(A) PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996.—Section 403(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(d)) is amended—

(i) in the subsection heading, by striking ''CUBAN AND''; and

(ii) by striking ''1980, for Cuban and Haitian entrants'' and all that follows and inserting ''1980 (8 U.S.C. 1522 note), for Haitian entrants (as defined in subsection (e)(2) of such section)''.

(B) IMMIGRATION AND NATIONALITY ACT.—Section 245A(h)(2)(A) of the Immigration and Nationality Act (8 U.S.C. 1255a(h)(2)(A)) is amended by striking ''Cuban and''.

(3) APPLICABILITY.—The amendments made by this subsection shall only apply to nationals of Cuba who enter the United States on or after the date of the enactment of this Act.

(c) REPORT.—Not later than 90 days after the date of the enactment of this Act, the Inspector General of the Social Security Administration shall submit a report to Congress that describes the methods by which the provision described in section 416.215 of title 20, Code of Federal Regulations, is being enforced.

SA 3529. Mr. REED submitted an amendment intended to be proposed by him to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the end of part II of subtitle A of title II, add the following:

SEC. 2_____. PROHIBITION ON OPERATION OF UNMANNED AIRCRAFT CARRYING A FIREARM.

(a) IN GENERAL.—Chapter 463 of title 49, United States Code, is amended by adding at the end the following:

''§ 46320. Prohibition on operation of unmanned aircraft carrying a firearm

''(a) IN GENERAL.—A person shall not operate an unmanned aircraft with a firearm attached to, installed on, or otherwise carried by the aircraft.

''(b) PENALTIES.—A person who violates subsection (a)—

''(1) shall be liable to the United States Government for a civil penalty of not more than $27,500; and

''(2) may be fined under title 18, imprisoned for not more than 5 years, or both.

''(c) NONAPPLICATION TO PUBLIC AIRCRAFT.—This section does not apply to public aircraft.

''(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to affect the authority of the Administrator with respect to manned or unmanned aircraft.

''(e) DEFINITIONS.—In this section:

''(1) FIREARM.—The term 'firearm' has the meaning given that term in section 921 of title 18.

''(2) UNMANNED AIRCRAFT.—The term 'unmanned aircraft' has the meaning given that term in section 44801.''.

(b) CONFORMING AMENDMENT.—Section 46301(d)(2) of such title is amended, in the first sentence, by inserting ''section 46320,'' before ''or section 47107(b)''.

(c) CLERICAL AMENDMENT.—The analysis for chapter 463 of such title is amended by inserting after the item relating to section 46319 the following:

''46320. Prohibition on operation of unmanned aircraft carrying a firearm.''.

SA 3530. Mr. SCHUMER (for himself and Mr. BLUMENTHAL) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. PROHIBITION ON SALE, MANUFACTURE, IMPORT, AND DISTRIBUTION IN COMMERCE OF LASER POINTERS.

(a) AUTHORITY FOR CONSUMER PRODUCT SAFETY COMMISSION TO REGULATE LASER POINTERS.—Section 31(a) of the Consumer Product Safety Act (15 U.S.C. 2080(a)) is amended, in the second sentence, by striking ''The Commission'' and inserting ''Except for a laser pointer (as defined in section 39A of title 18, United States Code), the Commission''.

(b) CLASSIFICATION OF LASER POINTERS AS BANNED HAZARDOUS PRODUCTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), all laser pointers are hereby declared banned hazardous products within the meaning of section 8 of the Consumer Product Safety Act (15 U.S.C. 2057).

(2) EXCEPTIONS.—Paragraph (1) shall not apply to such laser pointers as the Consumer Product Safety Commission determines are for legitimate and professional use.

(c) TREATMENT OF CLASSIFICATION.—For purposes of the Consumer Product Safety Act (15 U.S.C. 2051 et seq.), subsection (b) of this section shall be treated as if it were a rule promulgated under section 8 of such Act (15 U.S.C. 2057).

(d) REGULATIONS.—

(1) IN GENERAL.—The Consumer Product Safety Commission may promulgate such rules as the Commission considers appropriate to carry out this section.

(2) MANNER OF PROMULGATION.—Notwithstanding any other provision of law, a rule promulgated under paragraph (1) shall be promulgated in accordance with section 553 of title 5, United States Code.

(e) LASER POINTER DEFINED.—In this section, the term ''laser pointer'' has the meaning given such term in section 39A of title 18, United States Code.

SA 3531. Mr. MANCHIN submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

On page 284, between lines 3 and 4, insert the following:

(3) choices that consumers have in choosing an air carrier based on change, cancellation, and baggage fees in large, medium, and small markets; and

(4) the potential effect on availability of air service if change, cancellation, or baggage fees were regulated by the Federal Government.

SA 3532. Mr. NELSON (for himself and Mr. COATS) submitted an amendment intended to be proposed by him to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 204, strike line 21 and all that follows through page 206, line 9, and insert the following:

(a) RESTRICTIONS ON TRANSPORTATION OF LITHIUM BATTERIES ON AIRCRAFT.—

(1) ADOPTION OF ICAO INSTRUCTIONS.—

(A) IN GENERAL.—Pursuant to section 828 of the FAA Modernization and Reform Act of 2012 (49 U.S.C. 44701 note), not later than 90 days after the date of enactment of this Act, the Secretary of the Department of Transportation shall conform United States regulations on the air transport of lithium cells and batteries with the lithium cells and battery requirements in the 2015–2016 edition of the International Civil Aviation Organization's (referred to in this subsection as ''ICAO'') Technical Instructions (to include all addenda) including the revised standards adopted by ICAO which became effective on April 1, 2016.

(B) FURTHER PROCEEDINGS.—Beginning on the date the revised regulations under subparagraph (A) are published in the Federal

Register, any lithium cell and battery rulemaking action or update commenced on or after that date shall continue to comply with the requirements under section 828 of the FAA Modernization and Reform Act of 2012 (49 U.S.C. 44701 note).

(2) REVIEW OF OTHER REGULATIONS.—Pursuant to section 828 of the FAA Modernization and Reform Act of 2012 (49 U.S.C. 44701 note), the Secretary of Transportation may initiate a review of other existing regulations regarding the air transportation, including passenger-carrying and cargo aircraft, of lithium batteries and cells.

(3) MEDICAL DEVICE BATTERIES.—

(A) IN GENERAL.—For United States applicants, the Secretary of Transportation shall consider and either grant or deny, within 45 days, applications submitted in compliance with part 107 of title 49, Code of Federal Regulations for special permits or approvals for air transportation of lithium cells or batteries specifically used by medical devices. Not later than 30 days after the date of application, the Pipeline and Hazardous Materials Safety Administration shall provide a draft special permit based on the application to the Federal Aviation Administration. The Federal Aviation Administration shall conduct an on-site inspection for issuance of the special permit not later than 10 days after the date of receipt of the draft special permit from the Pipeline and Hazardous Materials Safety Administration.

(B) DEFINITION OF MEDICAL DEVICE.—In this paragraph, the term ''medical device'' has the meaning given the term ''device'' in section 201 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321).

(4) SAVINGS CLAUSE.—Nothing in this section shall be construed as expanding or constricting any other authority the Secretary of Transportation has under section 828 of the FAA Modernization and Reform Act of 2012 (49 U.S.C. 44701 note).

SA 3533. Mr. BROWN (for himself and Mr. PORTMAN) submitted an amendment intended to be proposed by him to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. AMOUNTS PAID FOR AIRCRAFT MANAGEMENT SERVICES.

(a) IN GENERAL.—Subsection (e) of section 4261 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(5) AMOUNTS PAID FOR AIRCRAFT MANAGEMENT SERVICES.—

''(A) IN GENERAL.—No tax shall be imposed by this section or section 4271 on any amounts paid by an aircraft owner for aircraft management services related to—

''(i) maintenance and support of the aircraft owner's aircraft; or

''(ii) flights on the aircraft owner's aircraft.

''(B) AIRCRAFT MANAGEMENT SERVICES.—For purposes of subparagraph (A), the term 'aircraft management services' includes assisting an aircraft owner with administrative and support services, such as scheduling, flight planning, and weather forecasting; obtaining insurance; maintenance, storage and fueling of aircraft; hiring, training, and provision of pilots and crew; establishing and complying with safety standards; or such other services necessary to support flights operated by an aircraft owner.

''(C) LESSEE TREATED AS AIRCRAFT OWNER.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'aircraft owner' includes a person who leases the aircraft other than under a disqualified lease.

''(ii) DISQUALIFIED LEASE.—For purposes of clause (i), the term 'disqualified lease' means a lease from a person providing aircraft management services with respect to such aircraft (or a related person (within the meaning of section 465(b)(3)(C)) to the person providing such services), if such lease is for a term of 31 days or less.

''(D) PRO RATA ALLOCATION.—If any amount paid to a person represents in part an amount paid for services not described in subparagraph (A), the tax imposed by subsection (a), if applicable to such amount, shall be applied to such payment on a pro rata basis.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to amounts paid beginning after the date of the enactment of this Act.

SA 3534. Ms. CANTWELL (for herself and Mr. THUNE) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. NATIONAL MULTIMODAL FREIGHT ADVISORY COMMITTEE.

(a) ESTABLISHMENT.—The Secretary of Transportation shall establish a national multimodal freight advisory committee (referred to in this section as the ''Committee'') in the Department of Transportation, which shall consist of a balanced cross-section of public and private freight stakeholders representative of all freight transportation modes, including—

(1) airports, highways, ports and waterways, rail, and pipelines;

(2) shippers;

(3) carriers;

(4) freight-related associations;

(5) the freight industry workforce;

(6) State departments of transportation;

(7) local governments;

(8) metropolitan planning organizations;

(9) regional or local transportation authorities, such as port authorities;

(10) freight safety organizations; and

(11) university research centers.

(b) PURPOSE.—The purpose of the Committee shall be to promote a safe, economically efficient, and environmentally sustainable national freight system.

(c) DUTIES.—The Committee, in consultation with State departments of transportation and metropolitan planning organizations, shall provide advice and recommendations to the Secretary of Transportation on matters related to freight transportation in the United States, including—

(1) the implementation of freight transportation requirements;

(2) the establishment of a National Multimodal Freight Network under section 70103 of title 49, United States Code;

(3) the development of the national freight strategic plan under section 70102 of such title;

(4) the development of measures of conditions and performance in freight transportation;

(5) the development of freight transportation investment, data, and planning tools; and

(6) recommendations for Federal legislation.

(d) QUALIFICATIONS.—Each member of the Committee shall be sufficiently qualified to represent the interests of the member's specific stakeholder group, such as—

(1) general business and financial experience;

(2) experience or qualifications in the areas of freight transportation and logistics;

(3) experience in transportation planning, safety, technology, or workforce issues;

(4) experience representing employees of the freight industry;

(5) experience representing State or local governments or metropolitan planning organizations in transportation-related issues; or

(6) experience in trade economics relating to freight flows.

(e) SUPPORT STAFF, INFORMATION, AND SERVICES.—The Secretary of Transportation shall provide support staff for the Committee. Upon the request of the Committee, the Secretary shall provide such information, administrative services, and supplies as the Secretary considers necessary for the Committee to carry out its duties under this section.

SA 3535. Mr. COTTON submitted an amendment intended to be proposed by him to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

On page 46, line 15, insert after ''National Guard'' the following: '', without regard to whether that component operates aircraft at the airport''.

SA 3536. Mr. MCCAIN submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

On page 93, between lines 4 and 5, insert the following:

(d) FEDERAL AGENCY COORDINATION TO ENHANCE THE PUBLIC HEALTH AND SAFETY CAPABILITIES OF PUBLIC UNMANNED AIRCRAFT SYSTEMS.—The Administrator shall assist and enable, without undue interference, Federal civilian government agencies that operate unmanned aircraft systems within civil-controlled airspace, in operationally deploying and integrating sense and avoid capabilities, as necessary to operate unmanned aircraft systems safely and effectively within the National Air Space.

SA 3537. Mr. PAUL (for himself and Mr. MARKEY) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. UNWARRANTED SURVEILLANCE.

(a) DEFINITIONS.—In this section—

(1) the term ''law enforcement party'' means a person or entity authorized by law,

or funded by the Government of the United States or by a political subdivision of a State, to investigate or prosecute offenses against the United States or to make arrests; and

(2) the term ''unmanned aircraft system'' has the meaning given the term in section 44801 of title 49, United States Code, as added by section 2121(a) of this Act.

(b) PROHIBITED USE OF UNMANNED AIRCRAFT SYSTEMS.—Except as provided in subsection (c), a person or entity acting under the authority, or funded in whole or in part by, the Government of the United States or by a political subdivision of a State shall not use an unmanned aircraft system to gather evidence or other information pertaining to criminal conduct or conduct in violation of a statute or regulation or for intelligence purposes except to the extent authorized in a warrant that satisfies the requirements of the Federal Rules of Procedure and the Constitution of the United States.

(c) EXCEPTIONS.—This section does not prohibit any of the following:

(1) PATROL OF BORDERS.—The use of an unmanned aircraft system to patrol national borders to prevent or deter illegal entry of any persons or illegal substances within 3 miles of the physical border.

(2) EXIGENT CIRCUMSTANCES.—The use of an unmanned aircraft system by a law enforcement party when exigent circumstances exist. For the purposes of this paragraph, exigent circumstances exist when the law enforcement party possesses reasonable suspicion that under particular circumstances, swift action to prevent imminent danger to life is necessary.

(3) HIGH RISK.—The use of an unmanned aircraft system to counter a high risk of an imminent terrorist attack by a specific individual or organization, when the Secretary of Homeland Security determines credible intelligence indicates there is such a risk.

(4) INFORMATION OR DATA UNRELATED TO EXIGENT CIRCUMSTANCES.—A person operating an unmanned aircraft system under the exception set forth in paragraph (2) shall minimize the collection by the unmanned aircraft system of information and data that is unrelated to the exigent circumstances. If the unmanned aircraft system incidentally collects any such unrelated information or data while being operated under such exception, the person operating the unmanned aircraft system shall destroy such unrelated information and data.

(5) PROHIBITION ON INFORMATION SHARING.—A person may not intentionally divulge information collected in accordance with this section with any other person, except as authorized by law.

(d) REMEDIES FOR VIOLATION.—Any aggrieved party may in a civil action obtain all appropriate relief to prevent or remedy a violation of this section.

(e) PROHIBITION ON USE OF EVIDENCE.—No evidence obtained or collected in violation of this section may be admissible as evidence in a criminal prosecution in any court of law in the United States.

SA 3538. Mr. HOEVEN submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the end of part II of subtitle A of title II, add the following:

SEC. 2143. EXEMPTION FOR THE OPERATION OF CERTAIN UNMANNED AIRCRAFT AT TEST SITES.

(a) IN GENERAL.—Not later than 30 days after the date of the enactment of this Act, and without the opportunity for prior public notice and comment, the Administrator shall grant an exemption for the operation of unmanned aircraft systems for any non-hobby or non-recreational purpose under the oversight of an unmanned aircraft system test site to all persons that meet the terms, conditions, and limitations described in subsection (b) for the exemption. All such operations of unmanned aircraft systems shall be conducted in accordance with a certificate of waiver or authorization issued to the unmanned aircraft system test site by the Administrator.

(b) TERMS, CONDITIONS, AND LIMITATIONS.—

(1) IN GENERAL.—The exemption granted under subsection (a) or any amendment to that exemption—

(A) shall, at a minimum, exempt the operator of an unmanned aircraft system from the provisions of parts 21, 43, 61, and 91 of title 14, Code of Federal Regulations, that are applicable only to civil aircraft or civil aircraft operations;

(B) may contain such other terms, conditions, and limitations as the Administrator may deem necessary in the interest of aviation safety or the efficiency of the national airspace system; and

(C) shall require a person, before initiating an operation under the exemption, to provide written notice to the unmanned aircraft system test site overseeing the operation, in a form and manner specified by the Administrator, that states, at a minimum, that the person has read, understands, and will comply with all terms, conditions, and limitations of the exemption and applicable certificates of waiver or authorization.

(2) TRANSMISSION TO FEDERAL AVIATION ADMINISTRATION.—The unmanned aircraft system test site overseeing an operation shall transmit to the Federal Aviation Administration copies of all notices under paragraph (1)(C) relating to the operation in a form and manner specified by the Administrator.

(c) NO AIRWORTHINESS OR AIRMAN CERTIFICATE REQUIRED.—Notwithstanding paragraph (1), (2)(A), or (3) of section 44711(a) of title 49, United States Code, a person may operate, or employ an airman who operates, an unmanned aircraft system for any non-hobby or non-recreational purpose under the oversight of an unmanned aircraft system test site without an airman certificate and without an airworthiness certificate for the aircraft if the operations of the unmanned aircraft system meet all terms, limitations, and conditions of an exemption issued under subsection (a) and of a certificate of waiver or authorization issued to the unmanned aircraft system test site by the Administrator.

(d) DATA AVAILABLE FOR CERTIFICATE OF AIRWORTHINESS.—The Administrator shall accept data collected or developed as a result of an operation of an unmanned aircraft system conducted under the oversight of an unmanned aircraft system test site pursuant to an exemption issued under subsection (a) for consideration in an application for an airworthiness certificate for the unmanned aircraft system.

(e) SUNSET.—The exemption issued under subsection (a), and any amendment to that exemption, shall cease to be valid on the date of the termination of the unmanned aircraft system test site program under section 332(c) of the FAA Modernization and Reform Act of 2012 (Public Law 112–95; 49 U.S.C. 40101 note).

(f) RULES OF CONSTRUCTION AND PROCEDURE.—

(1) IN GENERAL.—The issuance of an exemption under subsection (a), the issuance of a certificate of waiver or authorization (including the issuance of a certificate of waiver or authorization to an unmanned aircraft test site), the amendment of such an exemption or certificate, the imposition of a term, condition, or limitation on such an exemption or certificate, and any other activity carried out by the Federal Aviation Administration under this section shall be made without regard to—

(A) the notice and comment provisions of section 553 of title 5, United States Code; and

(B) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act'').

(2) SAVINGS PROVISIONS.—Nothing in this section shall be construed to—

(A) affect the issuance of a rule by or any other activity of the Secretary of Transportation or the Administrator under any other provision of law; or

(B) invalidate an exemption granted or certificate of waiver or authorization issued by the Administrator before the date of the enactment of this Act.

(g) DEFINITIONS.—In this section:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Federal Aviation Administration.

(2) AIRMAN CERTIFICATE.—The term ''airman certificate'' means an airman certificate issued under section 44703 of title 49, United States Code.

(3) CERTIFICATE OF WAIVER OR AUTHORIZATION.—The term ''certificate of waiver or authorization'' means an authorization issued by the Federal Aviation Administration for the operation of aircraft in deviation from a rule or regulation and includes the terms, conditions, and limitations of the authorization.

(4) UNMANNED AIRCRAFT; UNMANNED AIRCRAFT SYSTEM.—The terms ''unmanned aircraft'' and ''unmanned aircraft system'' have the meanings given those terms in section 44801 of title 49, United States Code, as added by section 2121.

(5) UNMANNED AIRCRAFT SYSTEM TEST SITE.—The term ''unmanned aircraft system test site'' means an entity designated under section 332(c) of the FAA Modernization and Reform Act of 2012 (Public Law 112–95; 49 U.S.C. 40101 note) to operate a test range under that section.

SA 3539. Mr. BLUNT (for himself, Mr. WYDEN, Mr. BENNET, Mr. PORTMAN, Ms. BALDWIN, Mr. VITTER, Ms. MURKOWSKI, Mrs. MURRAY, Mr. BURR, Ms. AYOTTE, Mr. CARPER, and Mr. MORAN) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the end, insert the following:

TITLE VI—CRAFT BEVERAGE MODERNIZATION AND TAX REFORM

SEC. 6001. SHORT TITLE; RULE OF CONSTRUCTION.

(a) SHORT TITLE.—This title may be cited as the ''Craft Beverage Modernization and Tax Reform Act of 2016''.

(b) RULE OF CONSTRUCTION.—Nothing in this title, the amendments made by this title, or any regulation promulgated under this title or the amendments made by this title, shall be construed to preempt, supersede, or otherwise limit or restrict any State, local, or tribal law that prohibits or regulates the production or sale of distilled spirits, wine, or malt beverages.

Subtitle A—Production Period

SEC. 6011. PRODUCTION PERIOD FOR BEER, WINE, AND DISTILLED SPIRITS.

(a) IN GENERAL.—Section 263A(f) of the Internal Revenue Code of 1986 is amended—

(1) by redesignating paragraph (4) as paragraph (5), and

(2) by inserting after paragraph (3) the following new paragraph:

''(4) EXEMPTION FOR AGING PROCESS OF BEER, WINE, AND DISTILLED SPIRITS.—For purposes of this subsection, the production period shall not include the aging period for—

''(A) beer (as defined in section 5052(a)),

''(B) wine (as described in section 5041(a)), or

''(C) distilled spirits (as defined in section 5002(a)(8)), except such spirits that are unfit for use for beverage purposes.''.

(b) CONFORMING AMENDMENT.—Paragraph (5)(B)(ii) of section 263A(f) of the Internal Revenue Code of 1986, as redesignated by this section, is amended by inserting ''except as provided in paragraph (4),'' before ''ending on the date''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to interest costs paid or incurred in taxable years ending on or after December 31, 2017.

Subtitle B—Beer

SEC. 6021. REDUCED RATE OF EXCISE TAX ON BEER.

(a) IN GENERAL.—Paragraph (1) of section 5051(a) of the Internal Revenue Code of 1986 is amended to read as follows:

''(1) IN GENERAL.—

''(A) IMPOSITION OF TAX.—A tax is hereby imposed on all beer brewed or produced, and removed for consumption or sale, within the United States, or imported into the United States. Except as provided in paragraph (2), the rate of such tax shall be—

''(i) $16 on the first 6,000,000 barrels of beer brewed by the brewer or imported by the importer which are removed during the calendar year for consumption or sale by such brewer or imported into the United States in such year by such importer, and

''(ii) $18 on any barrels of beer to which clause (i) does not apply.

''(B) BARREL.—For purposes of this section, a barrel shall contain not more than 31 gallons of beer, and any tax imposed under this section shall be applied at a like rate for any other quantity or for fractional parts of a barrel.''.

(b) REDUCED RATE FOR CERTAIN DOMESTIC PRODUCTION.—Subparagraph (A) of section 5051(a)(2) of the Internal Revenue Code of 1986 is amended—

(1) in the heading, by striking ''$7'' and inserting ''$3.50'', and

(2) by striking ''$7'' and inserting ''$3.50''.

(c) APPLICATION OF REDUCED TAX RATE FOR FOREIGN MANUFACTURERS AND IMPORTERS.—Subsection (a) of section 5051 of the Internal Revenue Code of 1986 is amended—

(1) in subparagraph (A)(i) of paragraph (1), as amended by subsection (a) of this section, by inserting ''and assigned to such electing importer pursuant to paragraph (4)'' after ''by such importer'', and

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

''(4) REDUCED TAX RATE FOR FOREIGN MANUFACTURERS AND IMPORTERS.—

''(A) IN GENERAL.—In the case of any barrels of beer which have been brewed or produced outside of the United States and imported into the United States, the rate of tax applicable under clause (i) of paragraph (1)(A) (referred to in this paragraph as the 'reduced tax rate') may be assigned by the brewer (provided that the brewer makes an election described in subparagraph (B)(ii)) to any electing importer of such barrels pursuant to the requirements established by the Secretary of the Treasury under subparagraph (B).

''(B) ASSIGNMENT.—The Secretary of the Treasury, in consultation with the Secretary of Health and Human Services and the Secretary of the Department of Homeland Security, shall, through such rules, regulations, and procedures as are determined appropriate, establish procedures for assignment of the reduced tax rate provided under this paragraph, which shall include—

''(i) a limitation to ensure that the number of barrels of beer for which the reduced tax rate has been assigned by a brewer to any importer does not exceed the number of barrels of beer brewed or produced by such brewer during the calendar year which were imported into the United States by such importer,

''(ii) procedures that allow the election of a brewer to assign and an importer to receive the reduced tax rate provided under this paragraph,

''(iii) requirements that the brewer provide any information as the Secretary determines necessary and appropriate for purposes of carrying out this paragraph, and

''(iv) procedures that allow for revocation of eligibility of the brewer and the importer for the reduced tax rate provided under this paragraph in the case of any erroneous or fraudulent information provided under clause (iii) which the Secretary deems to be material to qualifying for such reduced rate.

''(C) CONTROLLED GROUP.—For purposes of this section, any importer making an election described in subparagraph (B)(ii) shall be deemed to be a member of the controlled group of the brewer, as described under paragraph (5).''.

(d) CONTROLLED GROUP AND SINGLE TAXPAYER RULES.—Subsection (a) of section 5051 of the Internal Revenue Code of 1986, as amended by this section, is amended—

(1) in paragraph (2)—

(A) by striking subparagraph (B), and

(B) by redesignating subparagraph (C) as subparagraph (B), and

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

''(5) CONTROLLED GROUP AND SINGLE TAXPAYER RULES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), in the case of a controlled group, the 6,000,000 barrel quantity specified in paragraph (1)(A)(i) and the 2,000,000 barrel quantity specified in paragraph (2)(A) shall be applied to the controlled group, and the 6,000,000 barrel quantity specified in paragraph (1)(A)(i) and the 60,000 barrel quantity specified in paragraph (2)(A) shall be apportioned among the brewers who are component members of such group in such manner as the Secretary or his delegate shall by regulations prescribe. For purposes of the preceding sentence, the term 'controlled group' has the meaning assigned to it by subsection (a) of section 1563, except that for such purposes the phrase 'more than 50 percent' shall be substituted for the phrase 'at least 80 percent' in each place it appears in such subsection. Under regulations prescribed by the Secretary or his delegate, principles similar to the principles of the preceding two sentences shall be applied to a group of brewers under common control where one or more of the brewers is not a corporation.

''(B) FOREIGN MANUFACTURERS AND IMPORTERS.—For purposes of paragraph (4), in the case of a controlled group, the 6,000,000 barrel quantity specified in paragraph (1)(A)(i) shall be applied to the controlled group and apportioned among the members of such group in such manner as the Secretary or his delegate shall by regulations prescribe. For purposes of the preceding sentence, the term 'controlled group' has the meaning given such term under subparagraph (A). Under regulations prescribed by the Secretary or his delegate, principles similar to the principles of the preceding two sentences shall be applied to a group of brewers under common control where one or more of the brewers is not a corporation.

''(C) SINGLE TAXPAYER.—Pursuant to rules issued by the Secretary, 2 or more entities (whether or not under common control) that produce beer marketed under a similar brand, license, franchise, or other arrangement shall be treated as a single taxpayer for purposes of the application of this subsection.''.

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by this section shall apply to beer removed after September 30, 2018.

(2) PRORATION.—For purposes of the fourth calendar quarter of 2018, the Secretary of the Treasury (or the Secretary's delegate) shall issue such guidance, rules, or regulations as are deemed appropriate to provide that the amendments made by this section are applied on a prorated basis for purposes of beer removed during such quarter.

SEC. 6022. USE OF WHOLESOME PRODUCTS SUITABLE FOR HUMAN FOOD CONSUMPTION IN THE PRODUCTION OF FERMENTED BEVERAGES.

(a) IN GENERAL.—Not later than the date that is 1 year after the date of the enactment of this Act, the Secretary of the Treasury or the Secretary of the Treasury's delegate shall amend subpart F of part 25 of subchapter A of chapter I of title 27, Code of Federal Regulations to ensure that, for purposes of such part, wholesome fruits, vegetables, and spices suitable for human food consumption that are generally recognized as safe for use in an alcoholic beverage and that do not contain alcohol are generally recognized as a traditional ingredient in the production of fermented beverages.

(b) DEFINITION.—For purposes of this section, the term ''fruit'' means whole fruit, fruit juices, fruit puree, fruit extract, or fruit concentrate.

(c) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to revoke, prescribe, or limit any other exemptions from the formula requirements under subpart F of part 25 of subchapter A of chapter I of title 27, Code of Federal Regulations for any ingredient that has been recognized before, on, or after the date of the enactment of this Act as a traditional ingredient in the production of fermented beverages.

SEC. 6023. SIMPLIFICATION OF RULES REGARDING RECORDS, STATEMENTS, AND RETURNS.

(a) IN GENERAL.—Subsection (a) of section 5555 of the Internal Revenue Code of 1986 is amended by adding at the end the following: ''The Secretary shall permit a person to employ a unified system for any records, statements, and returns required to be kept, rendered, or made under this section for any beer produced in the brewery for which the tax imposed by section 5051 has been determined, including any beer which has been removed for consumption on the premises of the brewery.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to any calendar quarters beginning more than 1 year after the date of the enactment of this Act.

SEC. 6024. TRANSFER OF BEER BETWEEN BONDED FACILITIES.

(a) IN GENERAL.—Section 5414 of the Internal Revenue Code of 1986 is amended to read as follows:

''SEC. 5414. TRANSFER OF BEER BETWEEN BONDED FACILITIES.

''(a) IN GENERAL.—Beer may be removed from one brewery to another bonded brewery, without payment of tax, and may be

mingled with beer at the receiving brewery, subject to such conditions, including payment of the tax, and in such containers, as the Secretary by regulations shall prescribe, which shall include—

''(1) any removal from one brewery to another brewery belonging to the same brewer,

''(2) any removal from a brewery owned by one corporation to a brewery owned by another corporation when—

''(A) one such corporation owns the controlling interest in the other such corporation, or

''(B) the controlling interest in each such corporation is owned by the same person or persons, and

''(3) any removal from one brewery to another brewery when—

''(A) the proprietors of transferring and receiving premises are independent of each other and neither has a proprietary interest, directly or indirectly, in the business of the other, and

''(B) the transferor has divested itself of all interest in the beer so transferred and the transferee has accepted responsibility for payment of the tax.

''(b) TRANSFER OF LIABILITY FOR TAX.—For purposes of subsection (a)(3), such relief from liability shall be effective from the time of removal from the transferor's bonded premises, or from the time of divestment of interest, whichever is later.''.

(b) REMOVAL FROM BREWERY BY PIPELINE.—Section 5412 of the Internal Revenue Code of 1986 is amended by inserting ''pursuant to section 5414 or'' before ''by pipeline''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to any calendar quarters beginning more than 1 year after the date of the enactment of this Act.

Subtitle C—Wine

SEC. 6031. REDUCED RATE OF EXCISE TAX ON CERTAIN WINE.

(a) IN GENERAL.—Section 5041(c) of the Internal Revenue Code of 1986 is amended—

(1) in the heading, by striking ''FOR SMALL DOMESTIC PRODUCERS'',

(2) by amending paragraph (1) to read as follows:

''(1) ALLOWANCE OF CREDIT.—

''(A) IN GENERAL.—There shall be allowed as a credit against any tax imposed by this title (other than chapters 2, 21, and 22) an amount equal to the sum of—

''(i) $1 per wine gallon on the first 30,000 wine gallons of wine, plus

''(ii) 90 cents per wine gallon on the first 100,000 wine gallons of wine to which clause (i) does not apply, plus

''(iii) 53.5 cents per wine gallon on the first 620,000 wine gallons of wine to which clauses (i) and (ii) do not apply,

on wine gallons produced by the producer or imported by the importer which are removed during the calendar year for consumption or sale by such producer or imported into the United States in such year by such importer.

''(B) ADJUSTMENT OF CREDIT FOR HARD CIDER.—In the case of wine described in subsection (b)(6), subparagraph (A) of this paragraph shall be applied—

''(i) in clause (i) of such subparagraph, by substituting '6.2 cents' for '$1',

''(ii) in clause (ii) of such subparagraph, by substituting '5.6 cents' for '90 cents', and

''(iii) in clause (iii) of such subparagraph, by substituting '3.3 cents' for '53.5 cents'.'',

(3) by striking paragraph (2),

(4) by redesignating paragraphs (3) through (7) as paragraphs (2) through (6), respectively, and

(5) by amending paragraph (6), as redesignated by paragraph (4) of this subsection, to read as follows:

''(6) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary to carry out the purposes of this subsection, including regulations to ensure proper calculation of the credit provided in this subsection.''.

(b) CONTROLLED GROUP AND SINGLE TAXPAYER RULES.—Paragraph (3) of section 5041(c), as redesignated by subsection (a)(4), is amended by striking ''section 5051(a)(2)(B)'' and inserting ''section 5051(a)(5)''.

(c) ALLOWANCE OF CREDIT FOR FOREIGN MANUFACTURERS AND IMPORTERS.—Subsection (c) of section 5041 of the Internal Revenue Code of 1986, as amended by subsection (a), is amended—

(1) in subparagraph (A) of paragraph (1), by inserting ''and assigned to such electing importer pursuant to paragraph (6)'' after ''by such importer'',

(2) by redesignating paragraph (6) as paragraph (7), and

(3) by inserting after paragraph (5) the following new paragraph:

''(6) ALLOWANCE OF CREDIT FOR FOREIGN MANUFACTURERS AND IMPORTERS.—

''(A) IN GENERAL.—In the case of any wine gallons of wine which have been produced outside of the United States and imported into the United States, the credit allowable under paragraph (1) (referred to in this paragraph as the 'tax credit') may be assigned by the person who produced such wine (referred to in this paragraph as the 'foreign producer'), provided that such person makes an election described in subparagraph (B)(ii), to any electing importer of such wine gallons pursuant to the requirements established by the Secretary of the Treasury under subparagraph (B).

''(B) ASSIGNMENT.—The Secretary of the Treasury, in consultation with the Secretary of Health and Human Services and the Secretary of the Department of Homeland Security, shall, through such rules, regulations, and procedures as are determined appropriate, establish procedures for assignment of the tax credit provided under this paragraph, which shall include—

''(i) a limitation to ensure that the number of wine gallons of wine for which the tax credit has been assigned by a foreign producer to any importer does not exceed the number of wine gallons of wine produced by such foreign producer during the calendar year which were imported into the United States by such importer,

''(ii) procedures that allow the election of a foreign producer to assign and an importer to receive the tax credit provided under this paragraph,

''(iii) requirements that the foreign producer provide any information as the Secretary determines necessary and appropriate for purposes of carrying out this paragraph, and

''(iv) procedures that allow for revocation of eligibility of the foreign producer and the importer for the tax credit provided under this paragraph in the case of any erroneous or fraudulent information provided under clause (iii) which the Secretary deems to be material to qualifying for such credit.

''(C) CONTROLLED GROUP.—For purposes of this section, any importer making an election described in subparagraph (B)(ii) shall be deemed to be a member of the controlled group of the foreign producer, as described under paragraph (3).''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by this section shall apply to wine removed after September 30, 2018.

(2) PRORATION.—For purposes of the fourth calendar quarter of 2018, the Secretary of the Treasury (or the Secretary's delegate) shall issue such guidance, rules, or regulations as are deemed appropriate to provide that the amendments made by this section are applied on a prorated basis for purposes of wine removed during such quarter.

SEC. 6032. ADJUSTMENT OF ALCOHOL CONTENT LEVEL FOR APPLICATION OF EXCISE TAX RATES.

(a) IN GENERAL.—Paragraphs (1) and (2) of section 5041(b) of the Internal Revenue Code of 1986 are amended by striking ''14 percent'' each place it appears and inserting ''16 percent''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to wine removed during calendar years beginning after December 31, 2017.

SEC. 6033. DEFINITION OF MEAD AND LOW ALCOHOL BY VOLUME WINE.

(a) IN GENERAL.—Section 5041 of the Internal Revenue Code of 1986, as amended by section 335 of the Protecting Americans from Tax Hikes Act of 2015, is amended—

(1) in subsection (a), by striking ''Still wines'' and inserting ''Subject to subsection (h), still wines'', and

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

''(h) MEAD AND LOW ALCOHOL BY VOLUME WINE.—

''(1) IN GENERAL.—For purposes of subsections (a) and (b)(1), mead and low alcohol by volume wine shall be deemed to be still wines containing not more than 16 percent of alcohol by volume.

''(2) DEFINITIONS.—

''(A) MEAD.—For purposes of this section, the term 'mead' means a wine—

''(i) containing not more than 0.64 gram of carbon dioxide per hundred milliliters of wine, except that the Secretary may by regulations prescribe such tolerances to this limitation as may be reasonably necessary in good commercial practice,

''(ii) which is derived solely from honey and water,

''(iii) which contains no fruit product or fruit flavoring, and

''(iv) which contains less than 8.5 percent alcohol by volume.

''(B) LOW ALCOHOL BY VOLUME WINE.—For purposes of this section, the term 'low alcohol by volume wine' means a wine—

''(i) containing not more than 0.64 gram of carbon dioxide per hundred milliliters of wine, except that the Secretary may by regulations prescribe such tolerances to this limitation as may be reasonably necessary in good commercial practice,

''(ii) which is derived—

''(I) primarily from grapes, or

''(II) from grape juice concentrate and water,

''(iii) which contains no fruit product or fruit flavoring other than grape, and

''(iv) which contains less than 8.5 percent alcohol by volume.''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to wine removed during calendar years beginning after December 31, 2017.

Subtitle D—Distilled Spirits

SEC. 6041. REDUCED RATE OF EXCISE TAX ON CERTAIN DISTILLED SPIRITS.

(a) IN GENERAL.—Section 5001 of the Internal Revenue Code of 1986 is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

''(c) REDUCED RATE.—

''(1) IN GENERAL.—In the case of a distilled spirits operation, the otherwise applicable tax rate under subsection (a)(1) shall be—

''(A) $2.70 per proof gallon on the first 100,000 proof gallons of distilled spirits, and

''(B) $13.34 per proof gallon on the first 22,130,000 of proof gallons of distilled spirits to which subparagraph (A) does not apply,

on proof gallons which have been distilled or processed by such operation or imported by

the importer which are removed during the calendar year for consumption or sale by such operation or imported into the United States in such year by such importer.

''(2) CONTROLLED GROUPS.—

''(A) IN GENERAL.—In the case of a controlled group, the proof gallon quantities specified under subparagraphs (A) and (B) of paragraph (1) shall be applied to such group and apportioned among the members of such group in such manner as the Secretary or his delegate shall by regulations prescribe.

''(B) DEFINITION.—For purposes of subparagraph (A), the term 'controlled group' shall have the meaning given such term by subsection (a) of section 1563, except that 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears in such subsection.

''(C) RULES FOR NON-CORPORATIONS.—Under regulations prescribed by the Secretary, principles similar to the principles of subparagraphs (A) and (B) shall be applied to a group under common control where one or more of the persons is not a corporation.

''(D) SINGLE TAXPAYER.—Pursuant to rules issued by the Secretary, 2 or more entities (whether or not under common control) that produce distilled spirits marketed under a similar brand, license, franchise, or other arrangement shall be treated as a single taxpayer for purposes of the application of this subsection.''.

(b) CONFORMING AMENDMENT.—Section 7652(f)(2) of the Internal Revenue Code of 1986 is amended by striking ''section 5001(a)'' and inserting ''subsection (a)(1) of section 5001, determined as if subsection (c)(1) of such section did not apply''.

(c) APPLICATION OF REDUCED TAX RATE FOR FOREIGN MANUFACTURERS AND IMPORTERS.—Subsection (c) of section 5001 of the Internal Revenue Code of 1986, as added by subsection (a), is amended—

(1) in paragraph (1), by inserting ''and assigned to such electing importer pursuant to paragraph (3)'' after ''by such importer'', and

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

''(3) REDUCED TAX RATE FOR FOREIGN MANUFACTURERS AND IMPORTERS.—

''(A) IN GENERAL.—In the case of any proof gallons of distilled spirits which have been produced outside of the United States and imported into the United States, the rate of tax applicable under paragraph (1) (referred to in this paragraph as the 'reduced tax rate') may be assigned by the distilled sprits operation (provided that such operation makes an election described in subparagraph (B)(ii)) to any electing importer of such proof gallons pursuant to the requirements established by the Secretary of the Treasury under subparagraph (B).

''(B) ASSIGNMENT.—The Secretary of the Treasury, in consultation with the Secretary of Health and Human Services and the Secretary of the Department of Homeland Security, shall, through such rules, regulations, and procedures as are determined appropriate, establish procedures for assignment of the reduced tax rate provided under this paragraph, which shall include—

''(i) a limitation to ensure that the number of proof gallons of distilled spirits for which the reduced tax rate has been assigned by a distilled spirits operation to any importer does not exceed the number of proof gallons produced by such operation during the calendar year which were imported into the United States by such importer,

''(ii) procedures that allow the election of a distilled spirits operation to assign and an importer to receive the reduced tax rate provided under this paragraph,

''(iii) requirements that the distilled spirits operation provide any information as the Secretary determines necessary and appropriate for purposes of carrying out this paragraph, and

''(iv) procedures that allow for revocation of eligibility of the distilled spirits operation and the importer for the reduced tax rate provided under this paragraph in the case of any erroneous or fraudulent information provided under clause (iii) which the Secretary deems to be material to qualifying for such reduced rate.

''(C) CONTROLLED GROUP.—For purposes of this section, any importer making an election described in subparagraph (B)(ii) shall be deemed to be a member of the controlled group of the distilled spirits operation, as described under paragraph (2).''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by this section shall apply to distilled spirits removed after September 30, 2018.

(2) PRORATION.—For purposes of the fourth calendar quarter of 2018, the Secretary of the Treasury (or the Secretary's delegate) shall issue such guidance, rules, or regulations as are deemed appropriate to provide that the amendments made by this section are applied on a prorated basis for purposes of distilled spirits removed during such quarter.

SEC. 6042. BULK DISTILLED SPIRITS.

(a) IN GENERAL.—Section 5212 of the Internal Revenue Code of 1986 is amended—

(1) by striking ''Bulk distilled spirits on which'' and inserting ''Distilled spirits on which'', and

(2) by striking ''bulk'' each place it appears.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply distilled spirits transferred in bond in any calendar quarters beginning more than 1 year after the date of the enactment of this Act.

Subtitle E—Excise Tax Administration

SEC. 6051. INCREASE INFORMATION SHARING TO ADMINISTER EXCISE TAXES.

(a) IN GENERAL.—Section 6103(o) of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(3) TAXES IMPOSED BY SECTION 4481.—Returns and return information with respect to taxes imposed by section 4481 shall be open to inspection by or disclosure to officers and employees of United States Customs and Border Protection of the Department of Homeland Security whose official duties require such inspection or disclosure for purposes of administering such section.''.

(b) CONFORMING AMENDMENTS.—Paragraph (4) of section 6103(p) of the Internal Revenue Code of 1986 is amended by striking ''or (o)(1)(A)'' each place it appears and inserting '', (o)(1)(A) or (o)(3)''.

SA 3540. Ms. WARREN submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. STUDY ON THE EFFECT OF NEXT GENERATION AIR TRANSPORTATION SYSTEM ON THE HUMAN ENVIRONMENT.

(a) STUDY.—

(1) IN GENERAL.—Not later than 270 days after the date of the enactment of this Act, the Comptroller General of the United States shall, in consultation with State and local governments and where applicable local resident advisory committees, conduct a study of the effect of the Next Generation Air Transportation System of the Federal Aviation Administration on the human environment in the vicinity of large hub airports and selected medium hub airports located in densely populated areas.

(2) CONTENTS.—The study required by subsection (a) shall include the following:

(A) An analysis regarding the increase in noise related complaints in communities located near large hub airports and selected medium hub airports located in densely populated areas since the implementation of the Next Generation Air Transportation System.

(B) A review and evaluation of the Administration's current policies and abilities to respond and address these concerns.

(C) An evaluation of the human environment and health effects of increased flight traffic in these communities, including concerns regarding aircraft noise, pollution, and safety.

(D) An analysis of how Next Generation Air Transportation System flight paths could be altered to better distribute the noise caused by these flights.

(E) Recommendations on the best and most cost-effective approaches to address increased noise complaints associated with the Next Generation Air Transportation System.

(F) Such other maters relating to the Next Generation Air Transportation System as the Comptroller General considers appropriate.

(b) REPORT.—Not later than 270 days after the date of the enactment of this Act, the Comptroller General shall submit to Congress a report on the results of the study conducted under subsection (a), including the Comptroller General's findings, conclusions, and recommendations with respect to the study.

SA 3541. Ms. WARREN submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title IV, add the following:

Subtitle C—Accountability to Community

SEC. 4301. SHORT TITLE.

This subtitle may be cited as the ''FAA Community Accountability Act of 2016''.

SEC. 4302. FLIGHT PATHS AND PROCEDURES.

Notwithstanding any other provision of law, in considering new or revised flight paths or procedures as part of the implementation of the Next Generation Air Transportation System, the Administrator of the Federal Aviation Administration—

(1) shall take actions to limit negative impacts on the human environment in the vicinity of an affected airport; and

(2) may give preference to overlays of existing flight paths or procedures to ensure compatibility with land use in the vicinity of an affected airport.

SEC. 4303. FEDERAL AVIATION ADMINISTRATION COMMUNITY OMBUDSMAN.

(a) ESTABLISHMENT.—Not later than 180 days after the date of enactment of this Act, the Administrator of the Federal Aviation Administration shall appoint a Federal Aviation Administration Community Ombudsman for each region of the Federal Aviation Administration.

(b) DUTIES.—The Ombudsmen appointed in accordance with subsection (a) shall—

(1) act as a liaison between affected communities and the Administrator with respect

to problems related to the impact of commercial aviation on the human environment, including concerns regarding aircraft noise, pollution, and safety;

(2) monitor the impact of the implementation of the Next Generation Air Transportation System on communities in the vicinity of affected airports;

(3) make recommendations to the Administrator—

(A) to address concerns raised by communities; and

(B) to improve the use of community comments in Administration decisionmaking processes; and

(4) report to Congress periodically on issues related to the impact of commercial aviation on the human environment and on Administration responsiveness to concerns raised by affected communities.

SEC. 4304. COMMUNITY ENGAGEMENT.

(a) IN GENERAL.—Notwithstanding any other provision of law, in implementing the Next Generation Air Transportation System, the Administrator of the Federal Aviation Administration may not treat the establishment or revision of a flight path or procedure as covered by a categorical exclusion (as defined in section 1508.4 of title 40, Code of Federal Regulations) if an Federal Aviation Administration Community Ombudsman or the operator of an airport affected by such establishment or revision submits written notification to the Administrator that—

(1) extraordinary circumstances exist; or

(2) the establishment or revision will have a significant adverse impact on the human environment in the vicinity of such airport.

(b) NOTIFICATIONS.—At least 30 days before treating the establishment or revision of a flight path or procedure as covered by a categorical exclusion, the Administrator shall provide notice and an opportunity for comment to persons affected by such establishment or revision, including the operator of any affected airport.

SEC. 4305. RECONSIDERATION OF CERTAIN FLIGHT PATHS AND PROCEDURES.

(a) IN GENERAL.—Notwithstanding any other provision of law, the Administrator of the Federal Aviation Administration shall reconsider a flight path or procedure established or revised after February 14, 2012, as part of the implementation of the Next Generation Air Transportation System if a Federal Aviation Administration Community Ombudsman or the operator of an airport affected by such establishment or revision submits written notification to the Administrator that the establishment or revision is resulting in a significant adverse impact on the human environment in the vicinity of such airport.

(b) PROCESS.—In reconsidering a flight path or procedure under subsection (a), the Administrator shall—

(1) provide notice of the reconsideration and an opportunity for public comment;

(2) assess the impacts on the human environment of such flight path or procedure; and

(3) not later than 180 days after the date on which the relevant notification was received, submit to Congress and make available to the public a report that—

(A) addresses comments received pursuant to paragraph (1);

(B) describes the results of the assessment carried out under paragraph (2); and

(C) describes any changes to be made to such flight path or procedure or the justification for not making any change.

SA 3542. Mr. HOEVEN (for himself and Mr. TESTER) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. STATE REGULATION OF AIR AMBULANCE SERVICE PROVIDERS.

Notwithstanding any other provision of law or regulation, including section 41713 of title 49, United States Code, a State may enact or enforce a law, regulation, or other provision having the force and effect of law that regulates the price or service of an air carrier that provides air ambulance service in that State.

SA 3543. Mr. HOEVEN (for himself and Mr. COCHRAN) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

On page 117, line 17, insert after ''subsection (a).'' the following: ''In developing and carrying out the pilot program under this subsection, the Administrator shall, to the maximum extent practicable, leverage the capabilities of and utilize the Center of Excellence for Unmanned Aircraft Systems and the test sites established under section 332(c) of the FAA Modernization and Reform Act of 2012 (Public Law 112–95; 49 U.S.C. 40101 note).''.

SA 3544. Mr. BLUMENTHAL submitted an amendment intended to be proposed by him to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subsection (a) of section 3114 add the following:

(5) by adding after subsection (d), as redesignated, the following:

''(e) REPORTING REQUIREMENT.—Upon receipt of any complaint, an air carrier shall send the content of the complaint to the Aviation Consumer Protection Division of the Department of Transportation.''.

SA 3545. Mr. BLUMENTHAL submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title III, add the following:

SEC. 3124. IMPROVING AIRLINE COMPETITIVENESS.

(a) FINDINGS.—Congress makes the following findings:

(1) The people of the United States and the United States economy depend on a strong and competitive passenger air transportation industry to move people and goods in the fastest, most efficient manner.

(2) In a global economy, air carriers connect the people of the United States with the rest of the world. A strong air transportation industry is essential to the ability of the United States to compete in the international marketplace.

(3) A strong air transportation industry depends on competition between a number of air carriers servicing a variety of routes for domestic and international travelers, at both the national and local levels.

(4) Important stakeholders contribute to, and are dependent on, a robust air transportation industry, including—

(A) business and leisure travelers;

(B) the tourism sector;

(C) shippers;

(D) State and local governments and port authorities;

(E) aircraft manufacturers; and

(F) domestic and foreign air carriers.

(5) As a result of the consolidation of United States air carriers, there has been a precipitous decline in the number of major passenger air carriers in the United States.

(6) In the past few years, the air transportation industry has become increasingly concentrated. In 2015, the top 4 major air carriers accounted for 80 percent of passenger air traffic in the United States.

(7) The continued success of a deregulated air carrier system requires actual competition to encourage all participants in the industry to provide high quality service at competitive fares.

(8) Further consolidation among air carriers threatens to leave the industry without sufficient competition to ensure that the people of the United States share in the benefits of a well-functioning air transportation industry.

(b) ESTABLISHMENT OF NATIONAL COMMISSION TO ENSURE ALL AMERICANS HAVE ACCESS TO AND BENEFIT FROM A STRONG AND COMPETITIVE AIR TRANSPORTATION INDUSTRY.—There is established a Commission, which shall be known as the ''National Commission to Ensure All Americans Have Access to and Benefit from a Strong and Competitive Air Transportation Industry'' (referred to in this section as the ''Commission'').

(c) FUNCTIONS.—

(1) STUDY.—The Commission shall conduct a study of the passenger air transportation industry, with priority given to issues specified in subsection (d).

(2) POLICY RECOMMENDATIONS.—Based on the results of the study conducted under paragraph (1), the Commission shall recommend to the President and to Congress the adoption of policies that will—

(A) achieve the national goal of a strong and competitive air carrier system and facilitate the ability of the United States to compete in the global economy;

(B) provide robust levels of competition and air transportation at reasonable fares in cities of all sizes;

(C) provide a stable work environment for employees of air carriers;

(D) account for the interests of different stakeholders that contribute to, and are dependent on, the air transportation industry; and

(E) provide appropriate levels of protection for consumers, including access to information to enable consumer choice.

(d) SPECIFIC ISSUES TO BE ADDRESSED.—In conducting the study under subsection (c)(1), the Commission shall investigate—

(1) the current state of competition in the air transportation industry, how the structure of that competition is likely to change during the 5-year period beginning on the date of the enactment of this Act, whether that expected level of competition will be sufficient to secure the consumer benefits of air carrier deregulation, and the effects of—

(A) air carrier consolidation and practices on consumers, including the competitiveness of fares and services and the ability of consumers to engage in comparison shopping for air carrier fees;

(B) airfare pricing policies, including whether reduced competition artificially inflates ticket prices;

(C) the level of competition as of the date of the enactment of this Act on the travel distribution sector, including online and traditional travel agencies and intermediaries;

(D) economic and other effects on domestic air transportation markets in which 1 or 2 air carriers control the majority of available seat miles;

(E) the tactics used by incumbent air carriers to compete against smaller, regional carriers, or inhibit new or potential new entrant air carriers into a particular market; and

(F) the ability of new entrant air carriers to provide new service to underserved markets;

(2) the legislative and administrative actions that the Federal Government should take to enhance air carrier competition, including changes that are needed in the legal and administrative policies that govern—

(A) the initial award and the transfer of international routes;

(B) the allocation of gates and landing rights, particularly at airports dominated by 1 air carrier or a limited number of air carriers;

(C) frequent flier programs;

(D) the rights of foreign investors to invest in the domestic air transportation marketplace;

(E) the access of foreign air carriers to the domestic air transportation marketplace;

(F) the taxes and user fees imposed on air carriers;

(G) the responsibilities imposed on air carriers;

(H) the bankruptcy laws of the United States and related rules administered by the Department of Transportation as such laws and rules apply to air carriers;

(I) the obligations of failing air carriers to meet pension obligations;

(J) antitrust immunity for international air carrier alliances and the process for approving such alliances and awarding that immunity;

(K) competition of air carrier codeshare partnerships and joint ventures; and

(L) constraints on new entry into the domestic air transportation marketplace;

(3) whether the policies and strategies of the United States in international air transportation are promoting the ability of United States air carriers to achieve long-term competitive success in international air transportation markets, and to secure the benefits of robust competition, including—

(A) the general negotiating policy of the United States with respect to international air transportation;

(B) the desirability of multilateral rather than bilateral negotiations with respect to international air transportation;

(C) whether foreign countries have developed the necessary infrastructure of airports and airways to enable United States air carriers to provide the service needed to meet the demand for air transportation between the United States and those countries;

(D) the desirability of liberalization of United States domestic air transportation markets; and

(E) the impediments to access by foreign air carriers to routes to and from the United States;

(4) the effect that air carrier consolidation has had on business and leisure travelers, and travel and tourism more broadly; and

(5) the effect that air carrier consolidation has had on—

(A) employment and economic development opportunities of localities, particularly small and mid-size localities; and

(B) former hub airports, including the positive and negative consequences of routing air traffic through hub airports.

(e) MEMBERSHIP.—

(1) APPOINTMENT.—The Commission shall be composed of 21 members, of whom—

(A) 7 shall be appointed by the President;

(B) 4 shall be appointed by the Speaker of the House of Representatives;

(C) 3 shall be appointed by the minority leader of the House of Representatives;

(D) 4 shall be appointed by the majority leader of the Senate; and

(E) 3 shall be appointed by the minority leader of the Senate.

(2) QUALIFICATIONS.—

(A) IN GENERAL.—Members appointed pursuant to paragraph (1) shall be appointed from among United States citizens who bring knowledge of, and informed insights into, aviation, transportation, travel, and tourism policy.

(B) REPRESENTATION.—Members appointed pursuant to paragraph (1) shall be appointed in a manner so that at least 1 member of the Commission represents the interests of each of the following:

(i) The Department of Transportation.

(ii) The Department of Justice.

(iii) Legacy, networked air carriers.

(iv) Non-legacy air carriers.

(v) Air carrier employees.

(vi) Large aircraft manufacturers.

(vii) Ticket agents not part of an Internet-based travel company.

(viii) Large airports.

(ix) Small or mid-size airports with commercial service.

(x) Shippers.

(xi) Consumers.

(xii) General aviation.

(xiii) Local governments or port authorities that operate commercial airports.

(xiv) Internet-based travel companies.

(xv) The travel and tourism industry.

(xvi) Global distribution systems.

(xvii) Corporate business travelers.

(3) TERMS.—Members shall be appointed for the life of the Commission.

(4) CHAIRMAN.—The Chairman of the Commission shall be elected by the members of the Commission.

(5) VACANCIES.—A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(6) TRAVEL EXPENSES.—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.

(f) STAFF.—The Commission may appoint and fix the pay of such personnel as the Commission considers appropriate.

(g) STAFF OF FEDERAL AGENCIES.—Upon the request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of that agency to the Commission to assist the Commission in carrying out its duties under this section.

(h) ADMINISTRATIVE SUPPORT SERVICES.—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.

(i) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any Federal agency information (other than information required by any provision of law to be kept confidential by that agency) that is necessary for the Commission to carry out its duties under this section. Upon the request of the Commission, the head of such agency shall furnish such nonconfidential information to the Commission.

(j) REPORT.—Not later than 180 days after the date on which initial appointments of members to the Commission are made under subsection (e)(1), and after a public comment period of not less than 30 days, the Commission shall submit a report to the President and Congress that—

(1) describes the activities of the Commission;

(2) includes recommendations made by the Commission under subsection (c)(2); and

(3) contains a summary of the comments received during the public comment period.

(k) TERMINATION.—The Commission shall terminate on the date that is 180 days after the date of the submission of the report under subsection (j). Upon the submission of such report, the Commission shall deliver all records and papers of the Commission to the Administrator of General Services for deposit in the National Archives.

SA 3546. Mr. BLUMENTHAL submitted an amendment intended to be proposed by him to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title III, add the following:

SEC. 3214. MODIFICATION OF DEFINITION OF DISABILITY FOR DISCRIMINATION CLAIMS AGAINST AIR CARRIERS.

Section 41705(a) is amended to read as follows:

''(a) IN GENERAL.—In providing air transportation, an air carrier, including (subject to section 40105(b)) any foreign air carrier, may not discriminate against an individual on the basis of disability, as defined in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102).''.

SA 3547. Mr. BLUMENTHAL submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title V, add the following:

SEC. 5032. REGULATIONS RELATING TO E-CIGARETTES.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Administrator of the Pipeline and Hazardous Materials Safety Administration shall, in coordination and consultation with the Administrator of the Federal Aviation Administration—

(1) finalize the interim final rule of the Pipeline and Hazardous Materials Safety Administration issued October 30, 2015, pertaining to e-cigarettes; and

(2) expand that rule to prohibit the carrying of battery-powered portable electronic smoking devices in checked baggage and in carry-on baggage.

(b) DEFINITION.—In this section, the term ''battery-powered portable electronic smoking devices'' means e-cigarettes, e-cigs, e-cigars, e-pipes, e-hookahs, personal vaporizers, and electronic nicotine delivery systems.

SA 3548. Mr. BLUMENTHAL (for himself, Mr. MARKEY, and Ms. BALDWIN) submitted an amendment intended

to be proposed by him to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title III, add the following:

SEC. 3124. PRIVATE RIGHT OF ACTION FOR DISCRIMINATION CLAIMS AGAINST AIR CARRIERS.

Section 41705 is amended—

''(d) CIVIL ACTION.—

''(1) IN GENERAL.—Any person aggrieved by a violation by an air carrier of this section or a regulation prescribed under this section may, not later than 2 years after the date of the violation, bring a civil action in the district court of the United States in the district in which the person resides, in the district in which the principal place of business of the air carrier is located, or in the district in which the violation occurred.

''(2) RELIEF.—In a civil action brought under paragraph (1) in which the plaintiff prevails—

''(A) the plaintiff may obtain equitable and legal relief, including compensatory and punitive damages; and

''(B) the court shall award reasonable attorney's fees, reasonable expert fees, and the costs of the action to the plaintiff.

''(3) NO REQUIREMENT FOR EXHAUSTION OF REMEDIES.—Any person aggrieved by a violation by an air carrier of this section or a regulation prescribed under this section is not required to exhaust administrative complaint procedures before filing a civil action under paragraph (1).

''(4) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to invalidate or limit other Federal or State laws affording to people with disabilities greater legal rights or protections than those granted in this section.''.

SA 3549. Mr. MARKEY (for himself and Mr. WHITEHOUSE) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. ENERGY CREDIT FOR QUALIFIED OFFSHORE WIND FACILITIES.

(a) IN GENERAL.—Section 48 of the Internal Revenue Code is amended—

(1) in subsection (a)—

(A) in paragraph (2)(A)(i)—

(i) in subclause (III), by striking ''and'' at the end, and

(ii) by adding at the end the following new subclause:

''(V) qualified offshore wind property, and'', and

(B) in paragraph (3)(A)—

(i) in clause (vi), by striking ''or'' at the end,

(ii) in clause (vii), by adding ''or'' at the end, and

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

''(viii) qualified offshore wind property, but only with respect to periods ending before January 1, 2026,''.

(2) in subsection (c), by adding at the end the following new paragraph:

''(5) QUALIFIED OFFSHORE WIND PROPERTY.—

''(A) IN GENERAL.—The term 'qualified offshore wind property' means an offshore facility using wind to produce electricity.

''(B) OFFSHORE FACILITY.—The term 'offshore facility' means any facility located in the inland navigable waters of the United States, including the Great Lakes, or in the coastal waters of the United States, including the territorial seas of the United States, the exclusive economic zone of United States, and the outer Continental Shelf of the United States.

''(C) EXCEPTION FOR QUALIFIED SMALL WIND ENERGY PROPERTY.—The term 'qualified offshore wind property' shall not include any property described in paragraph (4).''.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SA 3550. Mr. PORTMAN (for himself and Mr. BURR) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. BENEFIT SUSPENSIONS FOR MULTIEMPLOYER PLANS IN CRITICAL AND DECLINING STATUS.

(a) ERISA AMENDMENTS.—Section 305(e)(9)(H) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085(e)(9)(H)) is amended—

(1) in clause (ii)—

(A) by striking ''Except as provided in clause (v), the'' and inserting ''The''; and

(B) by striking ''a majority of all participants and beneficiaries of the plan'' and inserting '', of the participants and beneficiaries of the plan who cast a vote, a majority'';

(2) by striking clause (v);

(3) by redesignating clause (vi) as clause (v); and

(4) in clause (v), as so redesignated—

(A) by striking ''(or following a determination under clause (v) that the plan is a systemically important plan)''; and

(B) by striking ''(or, in the case of a suspension that goes into effect under clause (v), at a time sufficient to allow the implementation of the suspension prior to the end of the 90-day period described in clause (v)(I))''.

(b) IRC AMENDMENTS.—Section 432(e)(9)(H) of the Internal Revenue Code of 1986 is amended—

(1) in clause (ii)—

(A) by striking ''Except as provided in clause (v), the'' and inserting ''The''; and

(B) by striking ''a majority of all participants and beneficiaries of the plan'' and inserting '', of the participants and beneficiaries of the plan who cast a vote, a majority'';

(2) by striking clause (v);

(3) by redesignating clause (vi) as clause (v); and

(4) in clause (v), as so redesignated—

(A) by striking ''(or following a determination under clause (v) that the plan is a systemically important plan)''; and

(B) by striking ''(or, in the case of a suspension that goes into effect under clause (v), at a time sufficient to allow the implementation of the suspension prior to the end of the 90-day period described in clause (v)(I))''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply to any vote on the suspension of benefits under section 305(e)(9)(H) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1085(e)(9)(H)) and section 432(e)(9)(H) of the Internal Revenue Code of 1986 that occurs after the date of enactment of this Act.

SA 3551. Mrs. BOXER submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the end of subtitle A of title II, add the following:

PART IV—SAFE OPERATION OF UNMANNED AIRCRAFT SYSTEMS

SEC. 2161. SHORT TITLE.

This part may be cited as the ''Safety for Airports and Firefighters by Ensuring Drones Refrain from Obstructing Necessary Equipment Act of 2016'' or the ''SAFE DRONE Act of 2016''.

SEC. 2162. CRIMINAL PENALTY FOR OPERATING DRONES IN CERTAIN LOCATIONS.

(a) IN GENERAL.—Chapter 2 of title 18, United States Code, is amended by adding at the end the following:

''§ 40A. Operating drones in certain locations

''(a) OFFENSE.—It shall be unlawful for a person to knowingly operate a drone in a restricted area without proper authorization from the Federal Aviation Administration.

''(b) EXCEPTION.—Subsection (a) shall not apply to operations conducted for purposes of firefighting or emergency response by a Federal, State, or local unit of government (including any individual conducting such operations pursuant to a contract or other agreement entered into with the unit).

''(c) REGULATIONS.—Not later than 90 days after the date of the enactment of this section, the Attorney General shall, by regulation, establish penalties for a violation of this section that the Attorney General determines are reasonably calculated to provide a deterrent to operating drones in restricted areas, which may include a term of imprisonment.

''(d) DEFINITIONS.—In this section—

''(1) the term 'drone' has the meaning given the term 'unmanned aircraft' in section 44801 of title 49;

''(2) the terms 'large hub airport', 'medium hub airport', and 'small hub airport' have the meanings given those terms in section 47102 of title 49; and

''(3) the term 'restricted area' means—

''(A) within a 2-mile radius of a small hub airport, medium hub airport, or large hub airport;

''(B) within 2 miles of the outermost perimeter of an ongoing firefighting operation involving the Department of Agriculture or the Department of the Interior; or

''(C) in an area that is subject to a temporary flight restriction issued by the Administrator of the Federal Aviation Administration.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 2 of title 18, United States Code, is amended by adding at the end the following new item:

''40A. Operating drones in certain locations.''.

SA 3552. Mrs. FEINSTEIN (for herself, Mr. BENNET, and Mrs. BOXER) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and

Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. MODIFICATIONS TO INCOME EXCLUSION FOR CONSERVATION SUBSIDIES.

(a) IN GENERAL.—Subsection (a) of section 136 of the Internal Revenue Code of 1986 is amended—

(1) by striking ''any subsidy provided'' and inserting ''any subsidy—

''(1) provided'',

(2) by striking the period at the end and inserting a comma, and

(3) by adding at the end the following new paragraphs:

''(2) provided (directly or indirectly) by a public utility to a customer, or by a State or local government to a resident of such State or locality, for the purchase or installation of any water conservation measure, or

''(3) provided (directly or indirectly) by a storm water management provider to a customer, or by a State or local government to a resident of such State or locality, for the purchase or installation of any storm water management measure.''.

(b) CONFORMING AMENDMENTS.—

(1) DEFINITION OF WATER CONSERVATION MEASURE AND STORM WATER MANAGEMENT MEASURE.—Section 136(c) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''ENERGY CONSERVATION MEASURE'' in the heading thereof and inserting ''DEFINITIONS'',

(B) by striking ''IN GENERAL'' in the heading of paragraph (1) and inserting ''ENERGY CONSERVATION MEASURE'', and

(C) by redesignating paragraph (2) as paragraph (4) and by inserting after paragraph (1) the following:

''(2) WATER CONSERVATION MEASURE.—For purposes of this section, the term 'water conservation measure' means any installation or modification primarily designed to reduce consumption of water or to improve the management of water demand with respect to a dwelling unit.

''(3) STORM WATER MANAGEMENT MEASURE.—For purposes of this section, the term 'storm water management measure' means any installation or modification of property primarily designed to reduce or manage amounts of storm water with respect to a dwelling unit.''.

(2) DEFINITION OF PUBLIC UTILITY.—Section 136(c)(4) of such Code (as redesignated by paragraph (1)(C)) is amended by striking subparagraph (B) and inserting the following:

''(B) PUBLIC UTILITY.—The term 'public utility' means a person engaged in the sale of electricity, natural gas, or water to residential, commercial, or industrial customers for use by such customers.

''(C) STORM WATER MANAGEMENT PROVIDER.—The term 'storm water management provider' means a person engaged in the provision of storm water management measures to the public.

''(D) PERSON.—For purposes of subparagraphs (B) and (C), the term 'person' includes the Federal Government, a State or local government or any political subdivision thereof, or any instrumentality of any of the foregoing.''.

(3) CLERICAL AMENDMENTS.—

(A) The heading of section 136 of such Code is amended—

(i) by inserting ''**AND WATER**'' after ''**ENERGY**'', and

(ii) by striking ''**PROVIDED BY PUBLIC UTILITIES**''.

(B) The item relating to section 136 in the table of sections of part III of subchapter B of chapter 1 of such Code is amended—

(i) by inserting ''and water'' after ''energy'', and

(ii) by striking ''provided by public utilities''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts received after January 1, 2015.

(d) NO INFERENCE.—Nothing in this Act or the amendments made by this Act shall be construed to create any inference with respect to the proper tax treatment of any subsidy received directly or indirectly from a public utility, a storm water management provider, or a State or local government for any water conservation measure or storm water management measure before January 1, 2015.

SA 3553. Mr. DAINES submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

On page 270, strike lines 2 through 11 and insert the following:

(a) RULEMAKING.—

(1) IN GENERAL.—Not later than 1 year after the date of enactment of this Act, the Secretary of Transportation shall issue final regulations to require a covered air carrier to promptly provide an automatic refund or other compensation to a passenger if the covered air carrier—

(A) has charged the passenger an ancillary fee for checked baggage; and

(B) fails to deliver the checked baggage to the passenger not later than 6 hours after the arrival of a domestic flight or 12 hours after the arrival of an international flight.

(2) CHOICE OF COMPARABLE COMPENSATION.—The final regulations issued under paragraph (1) shall not prescribe specific compensation, but shall permit covered air carriers to provide the passenger with a choice of comparable compensation so long as a full refund of the ancillary fee is one of the choices simultaneously offered by the covered air carrier.

SA 3554. Mrs. GILLIBRAND (for herself and Mr. SCHUMER) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title V, add the following:

SEC. 5023. MINIMUM ALTITUDES FOR HELICOPTERS OVER POPULATED AREAS.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, the Administrator shall establish a process for evaluating—

(1) whether minimum altitude requirements for helicopter routes over populated areas can be safely set for the purpose of reducing noise effects on the surrounding community; and

(2) in the case of routes for which minimum altitudes cannot be safely set, whether those routes should be otherwise modified, restricted, or eliminated due to excessive noise effects.

(b) PUBLIC ENGAGEMENT.—In establishing the process required by subsection (a), the Administrator shall—

(1) review and respond to requests made by States, political subdivisions of States, other elected officials, and community organizations to evaluate specific helicopter routes to reduce noise; and

(2) provide a means for the public to participate in the process.

SA 3555. Mr. FLAKE submitted an amendment intended to be proposed by him to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. PRIVATE PILOT PRIVILEGES AND LIMITATIONS.

(a) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Administrator of the Federal Aviation Administration shall issue or revise regulations to ensure that a person who holds a private pilot certificate may communicate with the public, in any manner the person determines appropriate, to facilitate a covered flight.

(b) COVERED FLIGHT DEFINED.—In this section, the term ''covered flight'' means an aircraft flight for which the pilot and passengers share operating expenses in accordance with section 61.113(c) of title 14, Code of Federal Regulations, or successor regulation.

SA 3556. Mr. FLAKE submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ____. ELIMINATION OF EXCLUSION OF CERTAIN DUAL NATIONALS FROM PARTICIPATION IN THE VISA WAIVER PROGRAM.

Section 217(a)(12) of the Immigration and Nationality Act (8 U.S.C. 1187(a)(12)) is amended—

(1) in subparagraph (A)—

(A) by striking clause (ii);

(B) by striking ''(C)—'' and all that follows through ''the alien has not been present'' and inserting ''(C), the alien has not been present''; and

(C) by redesignating subclauses (I), (II), and (III) as clauses (i), (ii), and (iii), respectively, and realigning the margin of each such clause two ems to the left; and

(2) in subparagraph (B), in the matter preceding clause (i), by striking ''(A)(i)'' and inserting ''(A)''.

SA 3557. Mr. FLAKE (for himself, Mr. LEAHY, Mr. DURBIN, Mr. ENZI, Ms. COLLINS, Mr. HELLER, and Mr. WHITEHOUSE) submitted an amendment intended to be proposed by him to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. ___. TRAVEL TO CUBA.

(a) IN GENERAL.—Notwithstanding any other provision of law, except as provided in subsections (b) and (c)—

(1) the President may not prohibit or otherwise restrict, directly or indirectly, travel to or from Cuba by United States citizens or legal residents, or any of the transactions incident to such travel, including banking transactions; and

(2) any regulation in effect on such date of enactment that prohibits or otherwise restricts travel to or from Cuba by United States citizens or legal residents, or any of the transactions incident to such travel, including banking transactions, shall cease to have any force or effect.

(b) SAVINGS PROVISION.—Nothing in this section may be construed to limit the authority of the President to restrict travel described in subsection (a), or any transaction incident to such travel, on a case-by-case basis, if such restriction—

(1) is important to the national security of the United States; or

(2) is designed to protect the health or safety of United States citizens or legal residents resulting from traveling to or from Cuba.

(c) APPLICABILITY.—This section shall apply to actions taken by the President—

(1) before the date of the enactment of this Act, which are in effect on such date of enactment; or

(2) on or after such date of enactment.

SA 3558. Mrs. FEINSTEIN (for herself, Mr. TILLIS, and Mr. BLUMENTHAL) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

Strike section 2152 and insert the following:

SEC. 2152. EFFECT ON OTHER LAWS.

(a) FEDERAL PREEMPTION RELATING TO MANUFACTURE AND DESIGN OF CIVIL UNMANNED AIRCRAFT SYSTEMS.—Subject to the limitations in subsection (c), no State or political subdivision of a State may enact or enforce any law, regulation, or other provision having the force and effect of law relating to the design, manufacture, testing, certification, or maintenance of a civil unmanned aircraft system, including equipment or technology requirements.

(b) LIMITED PREEMPTION RELATING TO OPERATIONS OF CIVIL UNMANNED AIRCRAFT SYSTEMS.—

(1) LIMITATIONS.—Nothing in this title, any amendment made by this title, or any standard, rule, requirement, standard of performance, safety determination, or certification implemented pursuant to this title or any amendment made by this title, shall be construed to preempt any State or local law, regulation, or other provision having the force and effect of law relating to the operation of a civil unmanned aircraft system in the national airspace system, unless the Secretary of Transportation has issued a regulation governing such operation, and only to the extent that the State or local law, regulation, or other provision presents an obstacle to that regulation.

(2) PROTECTION OF STATE AND LOCAL INTERESTS.—Any Federal regulation relating to the operation of civil unmanned aircraft systems shall preserve, to the greatest extent practicable, legitimate State and local interests in protecting—

(A) public safety;

(B) personal privacy;

(C) private property and land use;

(D) nuisance and noise pollution;

(E) public buildings, such as police departments, courthouses, and prisons;

(F) schools, including institutions of primary, secondary, and higher education;

(G) stadiums, parks, amusement parks, and beaches;

(H) power plants, electrical infrastructure, highways, bridges, roads, and other infrastructure; and

(I) special events, including sporting events, parades, and festivals.

(c) ADDITIONAL LIMITS ON PREEMPTION.—Nothing in this title, any amendment made by this title, or any standard, rule, regulation, requirement, standard of performance, safety determination, or certification implemented pursuant to this title or any amendment made by this title, shall be construed to limit, preempt, preclude, displace, or supplant any of the following, whether created before, on, or after the date of the enactment of this Act:

(1) Any cause of action for personal injury, wrongful death, property damage, or other injury based on negligence, strict liability, products liability, failure to warn, or any other legal theory of liability under any State law, maritime law, or State or Federal common law or statutory theory.

(2) Any State, local, or Federal statute, policy, or rule creating a remedy for civil relief (including those for civil damage), a penalty for criminal conduct, or another other lawfully imposed penalty, including laws (and the enforcement thereof) relating to trespass, nuisance, voyeurism, privacy, data security, harassment, reckless endangerment, wrongful death, personal injury, property damage, speed limits, land use or other illegal acts arising from the use of unmanned aircraft systems.

(3) Any right to the exclusive control of the immediate reaches of the airspace above property, as described by the Supreme Court of the United States in United States v. Causby, 328 U.S. 256 (1946).

(d) CONCURRENT ENFORCEMENT.—

(1) STATE AND LOCAL ENFORCEMENT AUTHORIZED.—In any case in which the attorney general of a State, or an official or agency of a State or political subdivision of a State, has reason to believe that an interest of the residents of that State or political subdivision has been or is threatened or adversely affected by any operator of a civil unmanned aircraft who violates any rule, regulation, or standard promulgated under this Act or other provision of Federal law related to the operation of civil unmanned aircraft, the attorney general of the State or official or agency of the State or political subdivision, is authorized to take enforcement action under this subsection.

(2) AUTHORIZED ACTIONS.—Enforcement actions authorized under this subsection include—

(A) a civil action on behalf of the residents of a State or political subdivision of a State in State court or in a district court of the United States of appropriate jurisdiction to enjoin further violation of Federal law;

(B) appropriate monetary penalties as may be authorized under the laws and procedures of the State or political subdivision; and

(C) an order to produce the proof of passage of the aeronautical knowledge and safety test described in section 44808(a)(7) of title 49, United States Code.

(3) GUIDANCE.—The Administrator of the Federal Aviation Administration shall issue guidance to State and local governments with respect to enforcement under this subsection that clearly and concisely describes the requirements of Federal law and regulations as applicable to operators of civil unmanned aircraft to enable enforcement as described in paragraph (2).

SA 3559. Mr. WARNER submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 23, strike line 17 and all that follows through page 24, line 6, and insert the following:

(A) in consultation with airport operators, general aviation users, and the exclusive representative certified to represent air traffic controllers under section 7111 of title 5, United States Code, a pilot program at public-use airports to construct and operate remote towers; and

(B) a selection process for participation in the pilot program.

(2) SAFETY CONSIDERATIONS.—In establishing the pilot program, the Administrator shall consult with operators of remote towers in foreign countries to design the pilot program in a manner that leverages as many safety and airspace efficiency benefits as possible.

(3) REQUIREMENTS.—In selecting the airports for participation in the pilot program, the Administrator shall—

(A) complete a Safety Risk Management Panel (SRM–P) for the pilot program at the current pilot program location;

SA 3560. Mr. WARNER (for himself and Mr. HOEVEN) submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

Beginning on page 73, strike line 24 and all that follows through page 74, line 12, and insert the following:

(a) RESEARCH PLAN.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Transportation and the United States Unmanned Aircraft System Executive Committee shall, in coordination with industry, users, the Center of Excellence for Unmanned Aircraft Systems, and test site operators, jointly develop a research plan to identify ongoing research into the broad range of technical, procedural, and policy concerns arising from the integration of unmanned aircraft systems into the national airspace system, and research needs regarding those concerns.

(2) MILESTONES AND GOALS.—

(A) IN GENERAL.—The plan required by paragraph (1) shall include—

(i) milestones with specific dates; and

(ii) near-term goals and specific goals after 5 years, after 10 years, and for the period beyond 10 years.

(B) INTEGRATION OF LARGER UNMANNED AIRCRAFT SYSTEMS.—Goals required by subparagraph (A)(ii) shall include goals relating to integration into the national airspace system of unmanned aircraft systems that are heavier than 55 pounds and fly higher than 500 feet above ground level.

(3) INTEGRATION WITH NEXT GENERATION AIR TRANSPORTATION SYSTEM.—The plan required

by paragraph (1) shall specify where and how integration of unmanned aircraft systems into the national airspace system fits within ongoing programs and research relating to the Next Generation Air Transportation System

(4) SPECIFICATION OF FUNDS REQUIRED.—The plan required by paragraph (1) shall specify the amount of funds necessary to achieve the integration of unmanned aircraft systems, of all sizes and at all altitudes, into the national airspace system.

(5) ENGAGEMENT WITH APPROPRIATE ENTITIES.—In developing the plan, the Administrator shall determine and engage the appropriate entities to meet the research needs identified in the plan.

SA 3561. Mr. WARNER submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

On page 119, line 18, insert '', or certified commercial operators operating under contract with a public entity,'' after ''operators''.

SA 3562. Mr. WARNER (for himself and Mr. BLUNT) submitted an amendment intended to be proposed by him to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the end, add the following:

DIVISION B—BRIDGE ACT

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This division may be cited as the ''Building and Renewing Infrastructure for Development and Growth in Employment Act'' or the ''BRIDGE Act''.

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

SEC. 2. PURPOSE.

The purpose of this division is to facilitate investment in, and the long-term financing of, economically viable eligible infrastructure projects of regional or national significance that are in the public interest in a manner that complements existing Federal, State, local, and private funding sources for these projects and introduces a merit-based system for financing those projects, in order to mobilize significant private sector investment, create long-term jobs, and ensure United States competitiveness through a self-sustaining institution that limits the need for ongoing Federal funding.

SEC. 3. DEFINITIONS.

In this division:

(1) BLIND TRUST.—The term ''blind trust'' means a trust in which the beneficiary has no knowledge of the specific holdings and no rights over how those holdings are managed by the fiduciary of the trust prior to the dissolution of the trust.

(2) BOARD OF DIRECTORS.—The term ''Board of Directors'' means the Board of Directors of IFA.

(3) CHAIRPERSON.—The term ''Chairperson'' means the Chairperson of the Board of Directors of IFA.

(4) CHIEF EXECUTIVE OFFICER.—The term ''Chief Executive Officer'' means the chief executive officer of IFA, appointed under section 103.

(5) COST.—The term ''cost'' has the meaning given the term in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

(6) DIRECT LOAN.—The term ''direct loan'' has the meaning given the term in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

(7) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) an individual;

(B) a corporation;

(C) a partnership, including a public-private partnership;

(D) a joint venture;

(E) a trust;

(F) a State or any other governmental entity, including a political subdivision or any other instrumentality of a State; or

(G) a revolving fund.

(8) ELIGIBLE INFRASTRUCTURE PROJECT.—

(A) IN GENERAL.—The term ''eligible infrastructure project'' means the construction, consolidation, alteration, or repair of the following sectors:

(i) Intercity passenger or freight rail lines, intercity passenger rail facilities or equipment, and intercity freight rail facilities or equipment.

(ii) Intercity passenger bus facilities or equipment.

(iii) Public transportation facilities or equipment.

(iv) Highway facilities, including bridges and tunnels.

(v) Airports and air traffic control systems.

(vi) Port or marine terminal facilities, including approaches to marine terminal facilities or inland port facilities, and port or marine equipment, including fixed equipment to serve approaches to marine terminals or inland ports.

(vii) Transmission or distribution pipelines.

(viii) Inland waterways.

(ix) Intermodal facilities or equipment related to 2 or more of the sectors described in clauses (i) through (viii).

(x) Water treatment and solid waste disposal facilities.

(xi) Storm water management systems.

(xii) Dams and levees.

(xiii) Facilities or equipment for energy transmission, distribution or storage.

(B) AUTHORITY OF THE BOARD OF DIRECTORS TO MODIFY SECTORS.—The Board of Directors may make modifications, at the discretion of the Board, to any of the sectors described in subparagraph (A) by a vote of not fewer than 5 of the voting members of the Board of Directors.

(9) IFA.—The term ''IFA'' means the Infrastructure Financing Authority established under section 101.

(10) INVESTMENT-GRADE RATING.—The term ''investment-grade rating'' means a rating of BBB minus, Baa3, or higher assigned to an eligible infrastructure project by a ratings agency.

(11) LOAN GUARANTEE.—The term ''loan guarantee'' has the meaning given the term in section 502 of the Federal Credit Reform Act of 1990 (2 U.S.C. 661a).

(12) OTRA.—The term ''OTRA'' means the Office of Technical and Rural Assistance created pursuant to section 106.

(13) PUBLIC-PRIVATE PARTNERSHIP.—The term ''public-private partnership'' means any eligible entity—

(A)(i) that is undertaking the development of all or part of an eligible infrastructure project that will have a measurable public benefit, pursuant to requirements established in 1 or more contracts between the entity and a State or an instrumentality of a State; or

(ii) the activities of which, with respect to such an eligible infrastructure project, are subject to regulation by a State or any instrumentality of a State;

(B) that owns, leases, or operates or will own, lease, or operate, the project in whole or in part; and

(C) the participants in which include not fewer than 1 nongovernmental entity with significant investment and some control over the project or entity sponsoring the project vehicle.

(14) RATING AGENCY.—The term ''rating agency'' means a credit rating agency registered with the Securities and Exchange Commission as a nationally recognized statistical rating organization (as defined in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a))).

(15) REGIONAL INFRASTRUCTURE ACCELERATOR.—The term ''regional infrastructure accelerator'' means an organization created by public sector agencies through a multi-jurisdictional or multi-state agreement to provide technical assistance to local jurisdictions that will facilitate the implementation of innovative financing and procurement models to public infrastructure projects.

(16) RURAL INFRASTRUCTURE PROJECT.—The term ''rural infrastructure project''—

(A) has the same meaning given the term in section 601(15) of title 23, United States Code; and

(B) includes any eligible infrastructure project sector described in clauses (i) through (xvii) of paragraph (8)(A) located in any area other than a city with a population of more than 250,000 inhabitants within the city limits.

(17) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury or the designee of the Secretary of the Treasury.

(18) SENIOR MANAGEMENT.—The term ''senior management'' means the chief financial

officer, chief risk officer, chief compliance officer, general counsel, chief lending officer, and chief operations officer of IFA, and such other officers as the Board of Directors may, by majority vote, add to senior management.

(19) STATE.—The term ''State'' means—

(A) each of the several States of the United States; and

(B) the District of Columbia.

TITLE I—INFRASTRUCTURE FINANCING AUTHORITY

SEC. 101. ESTABLISHMENT AND GENERAL AUTHORITY OF IFA.

(a) ESTABLISHMENT OF IFA.—The Infrastructure Financing Authority is established as a wholly owned Government corporation.

(b) GENERAL AUTHORITY OF IFA.—IFA shall—

(1) provide direct loans and loan guarantees to facilitate eligible infrastructure projects that are economically viable, in the public interest, and of regional or national significance; and

(2) carry out any other activities and duties authorized under this division.

(c) INCORPORATION.—

(1) IN GENERAL.—The Board of Directors first appointed shall be deemed the incorporator of IFA, and the incorporation shall be held to have been effected from the date of the first meeting of the Board of Directors.

(2) CORPORATE OFFICE.—IFA shall—

(A) maintain an office in Washington, DC; and

(B) for purposes of venue in civil actions, be considered to be a resident of Washington, DC.

(d) RESPONSIBILITY OF THE SECRETARY.—The Secretary shall take such action as may be necessary to assist in implementing IFA and in carrying out the purpose of this division.

(e) RULE OF CONSTRUCTION.—Chapter 91 of title 31, United States Code, does not apply to IFA, unless otherwise specifically provided in this division.

SEC. 102. VOTING MEMBERS OF THE BOARD OF DIRECTORS.

(a) VOTING MEMBERSHIP OF THE BOARD OF DIRECTORS.—

(1) IN GENERAL.—IFA shall have a Board of Directors consisting of 7 voting members appointed by the President, by and with the advice and consent of the Senate, not more than 4 of whom shall be from the same political party.

(2) CHAIRPERSON.—One of the voting members of the Board of Directors shall be designated by the President, by and with the advice and consent of the Senate, to serve as Chairperson of the Board of Directors.

(3) CONGRESSIONAL RECOMMENDATIONS.—Not later than 30 days after the date of enactment of this division, the majority leader of the Senate, the minority leader of the Senate, the Speaker of the House of Representatives, and the minority leader of the House of Representatives shall each submit a recommendation to the President for appointment of a member of the Board of Directors, after consultation with the appropriate committees of Congress.

(4) SPECIAL CONSIDERATION OF RURAL INTERESTS AND GEOGRAPHIC DIVERSITY.—In making an appointment under this subsection, the President shall give consideration to the geographic areas of the United States in which the members of the Board of Directors live and work, particularly to ensure that the infrastructure priorities and concerns of each region of the country, including rural areas and small communities, are represented on the Board of Directors.

(b) VOTING RIGHTS.—Each voting member of the Board of Directors shall have an equal vote in all decisions of the Board of Directors.

(c) QUALIFICATIONS OF VOTING MEMBERS.—Each voting member of the Board of Directors shall—

(1) be a citizen of the United States; and

(2) have significant demonstrated expertise in—

(A) the management and administration of a financial institution relevant to the operation of IFA; or

(B) the financing, development, or operation of infrastructure projects, including in the evaluation and selection of eligible infrastructure projects based on the purposes, goals, and objectives of this division.

(d) TERMS.—

(1) IN GENERAL.—Except as otherwise provided in this division, each voting member of the Board of Directors shall be appointed for a term of 5 years.

(2) INITIAL STAGGERED TERMS.—Of the voting members first appointed to the Board of Directors—

(A) the initial Chairperson and 3 of the other voting members shall each be appointed for a term of 5 years; and

(B) the remaining 3 voting members shall each be appointed for a term of 2 years.

(3) DATE OF INITIAL NOMINATIONS.—The initial nominations for the appointment of all voting members of the Board of Directors shall be made not later than 60 days after the date of enactment of this division.

(4) BEGINNING OF TERM.—The term of each of the initial voting members appointed under this section shall commence immediately upon the date of appointment, except that, for purposes of calculating the term limits specified in this subsection, the initial terms shall each be construed as beginning on January 22 of the year following the date of the initial appointment.

(5) VACANCIES.—

(A) IN GENERAL.—A vacancy in the position of a voting member of the Board of Directors shall be filled by the President, by and with the advice and consent of the Senate.

(B) TERM.—A member appointed to fill a vacancy on the Board of Directors occurring before the expiration of the term for which the predecessor was appointed shall be appointed only for the remainder of that term.

(e) MEETINGS.—

(1) OPEN TO THE PUBLIC; NOTICE.—Except as provided in paragraph (3), all meetings of the Board of Directors shall be—

(A) open to the public; and

(B) preceded by reasonable public notice.

(2) FREQUENCY.—The Board of Directors shall meet—

(A) not later than 60 days after the date on which all members of the Board of Directors are first appointed;

(B) at least quarterly after the date described in subparagraph (A); and

(C) at the call of the Chairperson or 3 voting members of the Board of Directors.

(3) EXCEPTION FOR CLOSED MEETINGS.—

(A) IN GENERAL.—The voting members of the Board of Directors may, by majority vote, close a meeting to the public if, during the meeting to be closed, there is likely to be disclosed proprietary or sensitive information regarding an eligible infrastructure project under consideration for assistance under this division.

(B) AVAILABILITY OF MINUTES.—The Board of Directors shall prepare minutes of any meeting that is closed to the public, which minutes shall be made available as soon as practicable, but not later than 1 year after the date of the closed meeting, with any necessary redactions to protect any proprietary or sensitive information.

(4) QUORUM.—For purposes of meetings of the Board of Directors, 5 voting members of the Board of Directors shall constitute a quorum.

(f) COMPENSATION OF MEMBERS.—Each voting member of the Board of Directors shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level III of the Executive Schedule under section 5314 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Board of Directors.

(g) CONFLICTS OF INTEREST.—A voting member of the Board of Directors may not participate in any review or decision affecting an eligible infrastructure project under consideration for assistance under this division, if the member has or is affiliated with an entity who has a financial interest in that project.

SEC. 103. CHIEF EXECUTIVE OFFICER.

(a) IN GENERAL.—The Chief Executive Officer shall—

(1) be a nonvoting member of the Board of Directors;

(2) be responsible for all activities of IFA; and

(3) support the Board of Directors in accordance with this division and as the Board of Directors determines to be necessary.

(b) APPOINTMENT AND TENURE OF THE CHIEF EXECUTIVE OFFICER.—

(1) IN GENERAL.—The President shall appoint the Chief Executive Officer, by and with the advice and consent of the Senate.

(2) TERM.—The Chief Executive Officer shall be appointed for a term of 6 years.

(3) VACANCIES.—

(A) IN GENERAL.—Any vacancy in the office of the Chief Executive Officer shall be filled by the President, by and with the advice and consent of the Senate.

(B) TERM.—The person appointed to fill a vacancy in the Chief Executive Officer position that occurs before the expiration of the term for which the predecessor was appointed shall be appointed only for the remainder of that term.

(c) QUALIFICATIONS.—The Chief Executive Officer—

(1) shall have significant expertise in management and administration of a financial institution, or significant expertise in the financing and development of infrastructure projects; and

(2) may not—

(A) hold any other public office;

(B) have any financial interest in an eligible infrastructure project then being considered by the Board of Directors, unless that interest is placed in a blind trust; or

(C) have any financial interest in an investment institution or its affiliates or any other entity seeking or likely to seek financial assistance for any eligible infrastructure project from IFA, unless any such interest is placed in a blind trust for the tenure of the service of the Chief Executive Officer plus 2 additional years.

(d) RESPONSIBILITIES.—The Chief Executive Officer shall have such executive functions, powers, and duties as may be prescribed by this division, the bylaws of IFA, or the Board of Directors, including—

(1) responsibility for the development and implementation of the strategy of IFA, including—

(A) the development and submission to the Board of Directors of the annual business plans and budget;

(B) the development and submission to the Board of Directors of a long-term strategic plan; and

(C) the development, revision, and submission to the Board of Directors of internal policies; and

(2) responsibility for the management and oversight of the daily activities, decisions, operations, and personnel of IFA.

(e) COMPENSATION.—

(1) IN GENERAL.—Any compensation assessment or recommendation by the Chief Executive Officer under this section shall be without regard to the provisions of chapter 51 or subchapter III of chapter 53 of title 5, United States Code.

(2) CONSIDERATIONS.—The compensation assessment or recommendation required under this subsection shall take into account merit principles, where applicable, as well as the education, experience, level of responsibility, geographic differences, and retention and recruitment needs in determining compensation of personnel.

SEC. 104. POWERS AND DUTIES OF THE BOARD OF DIRECTORS.

The Board of Directors shall—

(1) as soon as practicable after the date on which all members are appointed, approve or disapprove senior management appointed by the Chief Executive Officer;

(2) not later than 180 days after the date on which all members are appointed—

(A) develop and approve the bylaws of IFA, including bylaws for the regulation of the affairs and conduct of the business of IFA, consistent with the purpose, goals, objectives, and policies set forth in this division;

(B) establish subcommittees, including an audit committee that is composed solely of members of the Board of Directors, other than the Chief Executive Officer;

(C) develop and approve, in consultation with senior management, a conflict-of-interest policy for the Board of Directors and for senior management;

(D) approve or disapprove internal policies that the Chief Executive Officer shall submit to the Board of Directors, including—

(i) policies regarding the loan application and approval process, including application procedures and project approval processes; and

(ii) operational guidelines; and

(E) approve or disapprove a 1-year business plan and budget for IFA;

(3) ensure that IFA is at all times operated in a manner that is consistent with this division, by—

(A) monitoring and assessing the effectiveness of IFA in achieving its strategic goals;

(B) reviewing and approving internal policies, annual business plans, annual budgets, and long-term strategies submitted by the Chief Executive Officer;

(C) reviewing and approving annual reports submitted by the Chief Executive Officer;

(D) engaging 1 or more external auditors, as set forth in this division; and

(E) reviewing and approving all changes to the organization of senior management;

(4) appoint and fix, by a vote of not less than 5 of the 7 voting members of the Board of Directors, and without regard to the provisions of chapter 51 or subchapter III of chapter 53 of title 5, United States Code, the compensation and adjustments to compensation of all IFA personnel, provided that in appointing and fixing any compensation or adjustments to compensation under this paragraph, the Board shall—

(A) consult with, and seek to maintain comparability with, other comparable Federal personnel, as the Board of Directors may determine to be appropriate;

(B) consult with the Office of Personnel Management; and

(C) carry out those duties consistent with merit principles, where applicable, as well as the education, experience, level of responsibility, geographic differences, comparability to private sector positions, and retention and recruitment needs in determining compensation of personnel;

(5) serve as the primary liaison for IFA in interactions with Congress, the Secretary of Transportation and other executive branch officials, and State and local governments, and to represent the interests of IFA in those interactions and others;

(6) approve by a vote of not less than 5 of the 7 voting members of the Board of Directors any changes to the bylaws or internal policies of IFA;

(7) have the authority and responsibility—

(A) to oversee entering into and carrying out such contracts, leases, cooperative agreements, or other transactions as are necessary to carry out this division;

(B) to approve of the acquisition, lease, pledge, exchange, and disposal of real and personal property by IFA and otherwise approve the exercise by IFA of all of the usual incidents of ownership of property, to the extent that the exercise of those powers is appropriate to and consistent with the purposes of IFA;

(C) to determine the character of, and the necessity for, the obligations and expenditures of IFA, and the manner in which the obligations and expenditures will be incurred, allowed, and paid, subject to this division and other Federal law specifically applicable to wholly owned Federal corporations;

(D) to execute, in accordance with applicable bylaws and regulations, appropriate instruments;

(E) to approve other forms of credit enhancement that IFA may provide to eligible projects, as long as the forms of credit enhancements are consistent with the purposes of this division and terms set forth in title II;

(F) to exercise all other lawful powers which are necessary or appropriate to carry out, and are consistent with, the purposes of IFA;

(G) to sue or be sued in the corporate capacity of IFA in any court of competent jurisdiction;

(H) to indemnify the members of the Board of Directors and officers of IFA for any liabilities arising out of the actions of the members and officers in that capacity, in accordance with, and subject to the limitations contained in this division;

(I) to review all financial assistance packages to all eligible infrastructure projects, as submitted by the Chief Executive Officer and to approve, postpone, or deny the same by majority vote;

(J) to review all restructuring proposals submitted by the Chief Executive Officer, including assignation, pledging, or disposal of the interest of IFA in a project, including payment or income from any interest owned or held by IFA, and to approve, postpone, or deny the same by majority vote;

(K) to enter into binding commitments, as specified in approved financial assistance packages;

(L) to determine whether—

(i) to obtain a lien on the assets of an eligible entity that receives assistance under this division; and

(ii) to subordinate a lien under clause (i) to any other lien securing project obligations; and

(M) to ensure a measurable public benefit in the selection of eligible infrastructure projects and to provide for reasonable public input in the selection of such projects;

(8) delegate to the Chief Executive Officer those duties that the Board of Directors determines to be appropriate, to better carry out the powers and purposes of the Board of Directors under this section; and

(9) to approve a maximum aggregate amount of principal exposure of IFA at any given time.

SEC. 105. SENIOR MANAGEMENT.

(a) IN GENERAL.—Senior management shall support the Chief Executive Officer in the discharge of the responsibilities of the Chief Executive Officer.

(b) APPOINTMENT OF SENIOR MANAGEMENT.—The Chief Executive Officer shall appoint such senior managers as are necessary to carry out the purposes of IFA, as approved by a majority vote of the voting members of the Board of Directors, including a chief compliance officer, general counsel, chief operating officer, chief lending officer, and other positions as determined to be appropriate by the Chief Executive Officer and the Board of Directors.

(c) TERM.—Each member of senior management shall serve at the pleasure of the Chief Executive Officer and the Board of Directors.

(d) REMOVAL OF SENIOR MANAGEMENT.—Any member of senior management may be removed—

(1) by a majority of the voting members of the Board of Directors at the request of the Chief Executive Officer; or

(2) by a vote of not fewer than 5 voting members of the Board of Directors.

(e) SENIOR MANAGEMENT.—

(1) IN GENERAL.—Each member of senior management shall report directly to the Chief Executive Officer, other than the chief risk officer, who shall report directly to the Board of Directors.

(2) CHIEF RISK OFFICER.—The chief risk officer shall be responsible for all functions of IFA relating to—

(A) the creation of financial, credit, and operational risk management guidelines and policies;

(B) the establishment of guidelines to ensure diversification of lending activities by region, infrastructure project type, and project size;

(C) the creation of conforming standards for infrastructure finance agreements;

(D) the monitoring of the financial, credit, and operational exposure of IFA; and

(E) risk management and mitigation actions, including by reporting those actions, or recommendations of actions to be taken, directly to the Board of Directors.

(f) CONFLICTS OF INTEREST.—No individual appointed to senior management may—

(1) hold any other public office;

(2) have any financial interest in an eligible infrastructure project then being considered by the Board of Directors, unless that interest is placed in a blind trust; or

(3) have any financial interest in an investment institution or its affiliates, IFA or its affiliates, or other entity then seeking or likely to seek financial assistance for any eligible infrastructure project from IFA, unless any such interest is placed in a blind trust during the term of service of that individual in a senior management position, and for a period of 2 years thereafter.

SEC. 106. OFFICE OF TECHNICAL AND RURAL ASSISTANCE.

(a) IN GENERAL.—The Chief Executive Officer shall create and manage, within IFA, the ''Office of Technical and Rural Assistance''.

(b) DUTIES.—The OTRA shall—

(1) in consultation with the Secretary of Transportation and the heads of other relevant Federal agencies, as determined by the Chief Executive Officer, provide technical assistance to State and local governments and parties in public-private partnerships in the development and financing of eligible infrastructure projects, including rural infrastructure projects;

(2) assist the entities described in paragraph (1) with coordinating loan and loan guarantee programs available through Federal agencies, including the Department of Transportation and other Federal agencies, as appropriate;

(3) work with the entities described in paragraph (1) to identify and develop a pipeline of projects suitable for financing

through innovative project financing and performance based project delivery, including those projects with the potential for financing through IFA; and

(4) establish a regional infrastructure accelerator demonstration program to assist the entities described in paragraph (1) in developing improved infrastructure priorities and financing strategies, for the accelerated development of covered infrastructure projects, including those projects with the potential for financing through IFA.

(c) DESIGNATION OF REGIONAL INFRASTRUCTURE ACCELERATORS.—In carrying out the program established pursuant to subsection (b)(3), the OTRA is authorized to designate regional infrastructure accelerators that will—

(1) serve a defined geographic area; and

(2) act as a resource in such area to entities described in subsection (b)(1), in accordance with this subsection.

(d) APPLICATION PROCESS.—To be eligible for a designation under subsection (c), regional infrastructure accelerators shall submit a proposal to the OTRA at such time, in such form, and containing such information as the OTRA determines is appropriate.

(e) CONSIDERATIONS.—In evaluating proposals submitted pursuant to subsection (d), the OTRA shall consider—

(1) the need for geographic diversity among regional infrastructure accelerators; and

(2) promoting investment in covered infrastructure projects, which shall include a plan—

(A) to evaluate and promote innovative financing methods for local projects, including the use of IFA;

(B) to build capacity of governments to evaluate and structure projects involving the investment of private capital;

(C) to provide technical assistance and information on best practices with respect to financing such projects;

(D) to increase transparency with respect to infrastructure project analysis and utilizing innovative financing for public infrastructure projects;

(E) to deploy predevelopment capital programs designed to facilitate the creation of a pipeline of infrastructure projects available for investment;

(F) to bundle smaller-scale and rural projects into larger proposals that may be more attractive for investment; and

(G) to reduce transaction costs for public project sponsors.

(f) ANNUAL REPORT.—The OTRA shall submit an annual report to Congress that describes the findings and effectiveness of the infrastructure accelerator demonstration program.

SEC. 107. SPECIAL INSPECTOR GENERAL FOR IFA.

(a) IN GENERAL.—

(1) INITIAL PERIOD.—During the 5-year period beginning on the date of enactment of this division, the Inspector General of the Department of the Treasury shall serve as the Special Inspector General for IFA in addition to the existing duties of the Inspector General of the Department of the Treasury.

(2) OFFICE OF THE SPECIAL INSPECTOR GENERAL.—Beginning on the day that is 5 years after the date of enactment of this division, there is established the Office of the Special Inspector General for IFA.

(b) APPOINTMENT OF INSPECTOR GENERAL; REMOVAL.—

(1) HEAD OF OFFICE.—The head of the Office of the Special Inspector General for IFA shall be the Special Inspector General for IFA (referred to in this division as the ''Special Inspector General''), who shall be appointed by the President, by and with the advice and consent of the Senate.

(2) BASIS OF APPOINTMENT.—The appointment of the Special Inspector General shall be made on the basis of integrity and demonstrated ability in accounting, auditing, financial analysis, law, management analysis, public administration, or investigations.

(3) TIMING OF NOMINATION.—The nomination of an individual as Special Inspector General shall be made as soon as practicable after the date of enactment of this division.

(4) REMOVAL.—The Special Inspector General shall be removable from office in accordance with the provisions of section 3(b) of the Inspector General Act of 1978 (5 U.S.C. App.).

(5) RULE OF CONSTRUCTION.—For purposes of section 7324 of title 5, United States Code, the Special Inspector General shall not be considered an employee who determines policies to be pursued by the United States in the nationwide administration of Federal law.

(6) RATE OF PAY.—The annual rate of basic pay of the Special Inspector General shall be the annual rate of basic pay for an Inspector General under section 3(e) of the Inspector General Act of 1978 (5 U.S.C. App.).

(c) DUTIES.—The Special Inspector General shall—

(1) conduct, supervise, and coordinate audits and investigations of the business activities of IFA;

(2) establish, maintain, and oversee such systems, procedures, and controls as the Special Inspector General considers appropriate to discharge the duty under paragraph (1); and

(3) carry out any other duties and responsibilities of inspectors general under the Inspector General Act of 1978 (5 U.S.C. App.).

(d) POWERS AND AUTHORITIES.—

(1) IN GENERAL.—In carrying out the duties specified in subsection (c), the Special Inspector General shall have the authorities provided in section 6 of the Inspector General Act of 1978 (5 U.S.C. App.).

(2) ADDITIONAL AUTHORITY.—The Special Inspector General shall carry out the duties specified in subsection (c)(1) in accordance with section 4(b)(1) of the Inspector General Act of 1978 (5 U.S.C. App.).

(e) PERSONNEL, FACILITIES, AND OTHER RESOURCES.—

(1) ADDITIONAL OFFICERS.—

(A) IN GENERAL.—The Special Inspector General may select, appoint, and employ such officers and employees as may be necessary for carrying out the duties of the Special Inspector General, subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(B) EMPLOYMENT AND COMPENSATION.—The Special Inspector General may exercise the authorities of subsections (b) through (i) of section 3161 of title 5, United States Code (without regard to subsection (a) of that section).

(2) RETENTION OF SERVICES.—The Special Inspector General may obtain services as authorized by section 3109 of title 5, United States Code, at daily rates not to exceed the equivalent rate prescribed for grade GS–15 of the General Schedule by section 5332 of such title.

(3) ABILITY TO CONTRACT FOR AUDITS, STUDIES, AND OTHER SERVICES.—The Special Inspector General may enter into contracts and other arrangements for audits, studies, analyses, and other services with public agencies and with private persons, and make such payments as may be necessary to carry out the duties of the Special Inspector General.

(4) REQUEST FOR INFORMATION.—

(A) IN GENERAL.—Upon request of the Special Inspector General for information or assistance from any department, agency, or other entity of the Federal Government, the head of that entity shall, insofar as is practicable and not in contravention of any existing law, furnish the information or assistance to the Special Inspector General or an authorized designee.

(B) REFUSAL TO COMPLY.—If information or assistance requested by the Special Inspector General is, in the judgment of the Special Inspector General, unreasonably refused or not provided, the Special Inspector General shall report the circumstances to the Secretary, without delay.

(f) REPORTS.—

(1) ANNUAL REPORT.—Not later than 1 year after the date on which the Special Inspector General is confirmed, and every calendar year thereafter, the Special Inspector General shall submit to the President and appropriate committees of Congress a report summarizing the activities of the Special Inspector General during the previous 1-year period ending on the date of that report.

(2) PUBLIC DISCLOSURES.—Nothing in this subsection authorizes the public disclosure of information that is—

(A) specifically prohibited from disclosure by any other provision of law;

(B) specifically required by Executive order to be protected from disclosure in the interest of national defense or national security or in the conduct of foreign affairs; or

(C) a part of an ongoing criminal investigation.

SEC. 108. OTHER PERSONNEL.

(a) APPOINTMENT, REMOVAL, AND DEFINITION OF DUTIES.—Except as otherwise provided in the bylaws of IFA, the Chief Executive Officer, in consultation with the Board of Directors, shall appoint, remove, and define the duties of such qualified personnel as are necessary to carry out the powers, duties, and purpose of IFA, other than senior management, who shall be appointed in accordance with section 105.

(b) COORDINATION IN IDENTIFYING QUALIFICATIONS AND EXPERTISE.—In appointing qualified personnel pursuant to subsection (a), the Chief Executive Officer shall coordinate with, and seek assistance from, the Secretary of Transportation in identifying the appropriate qualifications and expertise in infrastructure project finance.

SEC. 109. COMPLIANCE.

The provision of assistance by IFA pursuant to this division does not supersede any provision of State law or regulation otherwise applicable to an eligible infrastructure project.

TITLE II—TERMS AND LIMITATIONS ON DIRECT LOANS AND LOAN GUARANTEES

SEC. 201. ELIGIBILITY CRITERIA FOR ASSISTANCE FROM IFA AND TERMS AND LIMITATIONS OF LOANS.

(a) PUBLIC BENEFIT; FINANCEABILITY.—A project is not be eligible for financial assistance from IFA under this division if—

(1) the use or purpose of such project is private or such project does not create a public benefit, as determined by the Board of Directors; or

(2) the applicant is unable to demonstrate, to the satisfaction of the Board of Directors, a sufficient revenue stream to finance the loan that will be used to pay for such project.

(b) FINANCIAL CRITERIA.—If the project meets the requirements under subsection (a), an applicant for financial assistance under this division shall demonstrate, to the satisfaction of the Board of Directors, that—

(1) for public-private partnerships, the project has received contributed capital or commitments for contributed capital equal to not less than 10 percent of the total cost of the eligible infrastructure project for

which assistance is being sought if such contributed capital includes—

(A) equity;

(B) deeply subordinate loans or other credit and debt instruments, which shall be junior to any IFA assistance provided for the project;

(C) appropriated funds or grants from governmental sources other than the Federal Government; or

(D) irrevocable private contributions of funds, grants, property (including rights-of-way), and other assets that directly reduce or offset project costs; and

(2) the eligible infrastructure project for which assistance is being sought—

(A) is not for the refinancing of an existing infrastructure project; and

(B) meets—

(i) any pertinent requirements set forth in this division;

(ii) any criteria established by the Board of Directors under subsection (c) or by the Chief Executive Officer in accordance with this division; and

(iii) the definition of an eligible infrastructure project.

(c) CONSIDERATIONS.—The criteria established by the Board of Directors under this subsection shall provide adequate consideration of—

(1) the economic, financial, technical, environmental, and public benefits and costs of each eligible infrastructure project under consideration for financial assistance under this division, prioritizing eligible infrastructure projects that—

(A) demonstrate a clear and measurable public benefit;

(B) offer value for money to taxpayers;

(C) contribute to regional or national economic growth;

(D) lead to long-term job creation; and

(E) mitigate environmental concerns;

(2) the means by which development of the eligible infrastructure project under consideration is being financed, including—

(A) the terms, conditions, and structure of the proposed financing;

(B) the creditworthiness and standing of the project sponsors, providers of equity, and cofinanciers;

(C) the financial assumptions and projections on which the eligible infrastructure project is based; and

(D) whether there is sufficient State or municipal political support for the successful completion of the eligible infrastructure project;

(3) the likelihood that the provision of assistance by IFA will cause the development to proceed more promptly and with lower costs for financing than would be the case without IFA assistance;

(4) the extent to which the provision of assistance by IFA maximizes the level of private investment in the eligible infrastructure project or supports a public-private partnership, while providing a significant public benefit;

(5) the extent to which the provision of assistance by IFA can mobilize the participation of other financing partners in the eligible infrastructure project;

(6) the technical and operational viability of the eligible infrastructure project;

(7) the proportion of financial assistance from IFA;

(8) the geographical location of the project, prioritizing geographical diversity of projects funded by IFA;

(9) the size of the project and the impact of the project on the resources of IFA; and

(10) the infrastructure sector of the project, prioritizing projects from more than 1 sector funded by IFA.

(d) APPLICATION.—

(1) IN GENERAL.—Any eligible entity seeking assistance from IFA under this division for an eligible infrastructure project shall submit an application to IFA at such time, in such manner, and containing such information as the Board of Directors or the Chief Executive Officer may require.

(2) REVIEW OF APPLICATIONS.—

(A) IN GENERAL.—IFA shall review applications for assistance under this division on an ongoing basis.

(B) PREPARATION.—The Chief Executive Officer, in cooperation with the senior management, shall prepare eligible infrastructure projects for review and approval by the Board of Directors.

(3) DEDICATED REVENUE SOURCES.—The Federal credit instrument shall be repayable, in whole or in part, from tolls, user fees, or other dedicated revenue sources derived from users or beneficiaries that also secure the eligible infrastructure project obligations.

(e) ELIGIBLE INFRASTRUCTURE PROJECT COSTS.—

(1) IN GENERAL.—Except as provided in paragraph (2), to be eligible for assistance under this division, an eligible infrastructure project shall have project costs that are reasonably anticipated to equal or exceed $50,000,000.

(2) RURAL INFRASTRUCTURE PROJECTS.—To be eligible for assistance under this division a rural infrastructure project shall have project costs that are reasonably anticipated to equal or exceed $10,000,000.

(f) LOAN ELIGIBILITY AND MAXIMUM AMOUNTS.—

(1) IN GENERAL.—The amount of a direct loan or loan guarantee under this division shall not exceed the lesser of—

(A) 49 percent of the reasonably anticipated eligible infrastructure project costs; and

(B) the amount of the senior project obligations, if the direct loan or loan guarantee does not receive an investment grade rating.

(2) MAXIMUM ANNUAL LOAN AND LOAN GUARANTEE VOLUME.—The aggregate amount of direct loans and loan guarantees made by IFA shall not exceed—

(A) during the first 2 fiscal years of the operations of IFA, $10,000,000,000 per year;

(B) during fiscal years 3 through 9 of the operations of IFA, $20,000,000,000 per year; and

(C) during any fiscal year thereafter, $50,000,000,000.

SEC. 202. LOAN TERMS AND REPAYMENT.

(a) IN GENERAL.—A direct loan or loan guarantee under this division with respect to an eligible infrastructure project shall be on such terms, subject to such conditions, and contain such covenants, representations, warranties, and requirements (including requirements for audits) as the Chief Executive Officer determines appropriate.

(b) TERMS.—A direct loan or loan guarantee under this division—

(1) shall—

(A) be payable, in whole or in part, from tolls, user fees, or other dedicated revenue sources derived from users or beneficiaries; and

(B) include a rate covenant, coverage requirement, or similar security feature supporting the project obligations; and

(2) may be secured by a lien—

(A) on the assets of the obligor, including revenues described in paragraph (1); and

(B) which may be subordinated to any other lien securing project obligations.

(c) BASE INTEREST RATE.—The base interest rate on a direct loan under this division shall be not less than the yield on Treasury obligations of a similar maturity to the maturity of the direct loan on the date of execution of the loan agreement.

(d) RISK ASSESSMENT.—Before entering into an agreement for assistance under this division, the Chief Executive Officer, in consultation with the Director of the Office of Management and Budget and each rating agency providing a preliminary rating opinion letter under this section, shall determine an appropriate Federal credit subsidy amount for each direct loan and loan guarantee, taking into account that preliminary rating opinion letter, as well as any comparable market rates available for such a loan or loan guarantee, should any exist.

(e) CREDIT FEE.—

(1) IN GENERAL.—With respect to each agreement for assistance under this division, the Chief Executive Officer shall charge a credit fee to the recipient of that assistance to pay for, over time, all or a portion of the Federal credit subsidy determined under subsection (d), with the remainder paid by the account established for IFA.

(2) DIRECT LOANS.—In the case of a direct loan, the credit fee described in paragraph (1) shall be in addition to the base interest rate established under subsection (c).

(f) MATURITY DATE.—The final maturity date of a direct loan or loan guaranteed by IFA under this division shall be not later than 35 years after the date of substantial completion of the eligible infrastructure project, as determined by the Chief Executive Officer.

(g) PRELIMINARY RATING OPINION LETTER.—

(1) IN GENERAL.—The Chief Executive Officer shall require each applicant for assistance under this division to provide a preliminary rating opinion letter from at least 1 rating agency, indicating that the senior obligations of the eligible infrastructure project, which may be the Federal credit instrument, have the potential to achieve an investment-grade rating.

(2) RURAL INFRASTRUCTURE PROJECTS.—With respect to a rural infrastructure project, a rating agency opinion letter described in paragraph (1) shall not be required, except that the loan or loan guarantee shall receive an internal rating score, using methods similar to the rating agencies generated by IFA, measuring the proposed direct loan or loan guarantee against comparable direct loans or loan guarantees of similar credit quality in a similar sector.

(h) INVESTMENT-GRADE RATING REQUIREMENT.—

(1) LOANS AND LOAN GUARANTEES.—The execution of a direct loan or loan guarantee under this division shall be contingent on the senior obligations of the eligible infrastructure project receiving an investment-grade rating.

(2) RATING OF IFA OVERALL PORTFOLIO.—The average rating of the overall portfolio of IFA shall be not less than investment grade after 5 years of operation.

(i) TERMS AND REPAYMENT OF DIRECT LOANS.—

(1) SCHEDULE.—The Chief Executive Officer shall establish a repayment schedule for each direct loan under this division, based on the projected cash flow from eligible infrastructure project revenues and other repayment sources.

(2) COMMENCEMENT.—Scheduled loan repayments of principal or interest on a direct loan under this division shall commence not later than 5 years after the date of substantial completion of the eligible infrastructure project, as determined by the Chief Executive Officer of IFA.

(3) DEFERRED PAYMENTS OF DIRECT LOANS.—

(A) AUTHORIZATION.—If, at any time after the date of substantial completion of an eligible infrastructure project assisted under this division, the eligible infrastructure project is unable to generate sufficient revenues to pay the scheduled loan repayments

of principal and interest on the direct loan under this division, the Chief Executive Officer may allow the obligor to add unpaid principal and interest to the outstanding balance of the direct loan, if the result would benefit the taxpayer.

(B) INTEREST.—Any payment deferred under subparagraph (A) shall—

(i) continue to accrue interest, in accordance with the terms of the obligation, until fully repaid; and

(ii) be scheduled to be amortized over the remaining term of the loan.

(C) CRITERIA.—

(i) IN GENERAL.—Any payment deferral under subparagraph (A) shall be contingent on the eligible infrastructure project meeting criteria established by the Board of Directors.

(ii) REPAYMENT STANDARDS.—The criteria established under clause (i) shall include standards for reasonable assurance of repayment.

(4) PREPAYMENT OF DIRECT LOANS.—

(A) USE OF EXCESS REVENUES.—Any excess revenues that remain after satisfying scheduled debt service requirements on the eligible infrastructure project obligations and direct loan and all deposit requirements under the terms of any trust agreement, bond resolution, or similar agreement securing project obligations under this division may be applied annually to prepay the direct loan, without penalty.

(B) USE OF PROCEEDS OF REFINANCING.—A direct loan under this division may be prepaid at any time, without penalty, from the proceeds of refinancing from non-Federal funding sources.

(j) LOAN GUARANTEES.—The terms of a loan guaranteed by IFA under this division shall be consistent with the terms set forth in this section for a direct loan, except that the rate on the guaranteed loan and any payment, prepayment, or refinancing features shall be negotiated between the obligor and the lender (as defined in section 601(a) of title 23, United States Code) with the consent of the Chief Executive Officer.

(k) COMPLIANCE WITH FEDERAL CREDIT REFORM ACT OF 1990.—

(1) IN GENERAL.—Except as provided in paragraph (2), direct loans and loan guarantees authorized by this division shall be subject to the provisions of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).

(2) EXCEPTION.—Section 504(b) of the Federal Credit Reform Act of 1990 (2 U.S.C. 661c(b)) shall not apply to a loan or loan guarantee under this division.

(l) POLICY OF CONGRESS.—It is the policy of Congress that IFA shall only make a direct loan or loan guarantee under this division if IFA determines that IFA is reasonably expected to recover the full amount of the direct loan or loan guarantee.

SEC. 203. ENVIRONMENTAL PERMITTING PROCESS IMPROVEMENTS.

(a) INTERAGENCY COORDINATION.—As soon as practicable after IFA approves financing for a proposed project under this title, the President shall convene a meeting of representatives of all relevant and appropriate permitting agencies—

(1) to establish or update a permitting timetable for the proposed project;

(2) to coordinate concurrent permitting reviews by all necessary agencies; and

(3) to coordinate with relevant State agencies and regional infrastructure development agencies to ensure—

(A) adequate participation; and

(B) the timely provision of necessary documentation to allow any State review to proceed without delay.

(b) GOAL.—The permitting timetable for each proposed project established pursuant to subsection (a)(1) shall ensure that the environmental review process is completed as soon as practicable.

(c) EARLIER.—The President may carry out the functions set forth in subsection (a) with respect to a proposed project before the IFA has approved financing for such project upon the request of the Chief Executive Officer.

(d) CONCURRENT REVIEWS.—Each agency, to the greatest extent permitted by law, shall—

(1) carry out the obligations of the agency under other applicable law concurrently, and in conjunction with other reviews being conducted by other participating agencies, including environmental reviews required under the National Environmental Policy Act (42 U.S.C. 4321 et seq.), unless such concurrent reviews would impair the ability of the agency to carry out its statutory obligations; and

(2) formulate and implement administrative, policy, and procedural mechanisms to enable the agency to ensure the completion of the environmental review process in a timely, coordinated, and environmentally responsible manner.

SEC. 204. COMPLIANCE AND ENFORCEMENT.

(a) CREDIT AGREEMENT.—Notwithstanding any other provision of law, each eligible entity that receives assistance under this division shall enter into a credit agreement that requires such entity to comply with all applicable policies and procedures of IFA, in addition to all other provisions of the loan agreement.

(b) APPLICABILITY OF FEDERAL LAWS.—Each eligible entity that receives assistance under this division shall provide written assurance, in such form and manner and containing such terms as are to be prescribed by IFA, that the eligible infrastructure project will be performed in compliance with the requirements of all Federal laws that would otherwise apply to similar projects to which the United States is a party, or financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant, or annual contribution (except where a different meaning is expressly indicated).

(c) IFA AUTHORITY ON NONCOMPLIANCE.—In any case in which an eligible entity that receives assistance under this division is materially out of compliance with the loan agreement, or any applicable policy or procedure of IFA, the Board of Directors may take action—

(1) to cancel unused loan amounts; or

(2) to accelerate the repayment terms of any outstanding obligation.

SEC. 205. AUDITS; REPORTS TO THE PRESIDENT AND CONGRESS.

(a) ACCOUNTING.—The books of account of IFA shall be—

(1) maintained in accordance with generally accepted accounting principles; and

(2) subject to an annual audit by independent public accountants of nationally recognized standing appointed by the Board of Directors.

(b) REPORTS.—

(1) BOARD OF DIRECTORS.—Not later than 90 days after the last day of each fiscal year, the Board of Directors shall submit to the President and Congress a complete and detailed report with respect to the preceding fiscal year, setting forth—

(A) a summary of the operations of IFA for that fiscal year;

(B) a schedule of the obligations of IFA and capital securities outstanding at the end of that fiscal year, with a statement of the amounts issued and redeemed or paid during that fiscal year;

(C) the status of eligible infrastructure projects receiving funding or other assistance pursuant to this division during that fiscal year, including—

(i) all nonperforming loans; and

(ii) disclosure of all entities with a development, ownership, or operational interest in those eligible infrastructure projects;

(D) a description of the successes and challenges encountered in lending to rural communities, including the role of the Office of Technical and Rural Assistance established under this division; and

(E) an assessment of the risks of the portfolio of IFA, which shall be prepared by an independent source.

(2) GAO.—Not later than 5 years after the date of enactment of this division, the Comptroller General of the United States shall conduct an evaluation of, and submit to the Committee on Commerce, Science, and Transportation of the Senate and to the Committees on Transportation and Infrastructure and Energy and Commerce of the House of Representatives a report on the activities of IFA for the fiscal years covered by the report that includes—

(A) an assessment of the impact and benefits of each funded eligible infrastructure project, including a review of how effectively each eligible infrastructure project accomplished the goals prioritized by the eligible infrastructure project criteria of IFA; and

(B) an evaluation of the effectiveness of, and challenges facing, loan programs at the Department of Transportation and Department of Energy, and an analysis of the advisability of consolidating those programs within IFA.

(c) BOOKS AND RECORDS.—

(1) IN GENERAL.—IFA shall maintain adequate books and records to support the financial transactions of IFA, with a description of financial transactions and eligible infrastructure projects receiving funding, and the amount of funding for each project maintained on a publically accessible database.

(2) AUDITS BY THE SECRETARY AND GAO.—The books and records of IFA shall at all times be open to inspection by the Secretary, the Special Inspector General, and the Comptroller General of the United States.

SEC. 206. EFFECT ON OTHER LAWS.

Nothing in this division may be construed to affect or alter the responsibility of an eligible entity that receives assistance under this division to comply with applicable Federal and State laws (including regulations) relating to an eligible infrastructure project.

TITLE III—FUNDING OF IFA

SEC. 301. FEES.

The Chief Executive Officer shall establish fees with respect to loans and loan guarantees under this division that—

(1) are sufficient to cover all the administrative costs to the Federal Government for the operations of IFA;

(2) may be in the form of an application or transaction fee, or interest rate adjustment; and

(3) may be based on the risk premium associated with the loan or loan guarantee, taking into consideration—

(A) the price of Treasury obligations of a similar maturity;

(B) prevailing market conditions;

(C) the ability of the eligible infrastructure project to support the loan or loan guarantee; and

(D) the total amount of the loan or loan guarantee.

SEC. 302. SELF-SUFFICIENCY OF IFA.

The Chief Executive Officer shall, to the extent practicable, take actions consistent with this division to make IFA a self-sustaining entity, with administrative costs and Federal credit subsidy costs fully funded by fees and risk premiums on loans and loan guarantees.

SEC. 303. FUNDING.

(a) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to IFA to make direct loans and loan guarantees under this division $10,000,000,000, which shall remain available until expended.

(2) ADMINISTRATIVE COSTS.—Of the amounts appropriated pursuant to paragraph (1), the IFA may expend, for administrative costs, not more than—

(A) $25,000,000 for each of the fiscal years 2016 and 2017; and

(B) not more than $50,000,000 for fiscal year 2018.

(b) INTEREST.—The amounts made available to IFA pursuant to subsection (a) shall be placed in interest-bearing accounts.

(c) RURAL INFRASTRUCTURE PROJECTS.—Of the amounts made available to IFA under this section, not less than 5 percent shall be used to offset subsidy costs associated with rural infrastructure projects.

SEC. 304. CONTRACT AUTHORITY.

Notwithstanding any other provision of law, approval by the Board of Directors of a Federal credit instrument that uses funds made available under this division shall impose upon the United States a contractual obligation to fund the Federal credit investment.

SEC. 305. LIMITATION ON AUTHORITY.

IFA shall not have the authority to issue debt in its own name.

TITLE IV—TAX EXEMPTION REQUIREMENTS FOR STATE AND LOCAL BONDS

SEC. 401. NATIONAL LIMITATION ON AMOUNT OF TAX-EXEMPT FINANCING FOR FACILITIES.

Section 142(m)(2)(A) of the Internal Revenue Code of 1986 is amended by striking ''$15,000,000,000'' and inserting ''$16,000,000,000''.

TITLE V—BUDGETARY EFFECTS

SEC. 501. BUDGETARY EFFECTS.

The budgetary effects of this division, for the purpose of complying with the Statutory Pay-As-You-Go Act of 2010, shall be determined by reference to the latest statement titled ''Budgetary Effects of PAYGO Legislation'' for this division, submitted for printing in the Congressional Record by the Chairman of the Senate Budget Committee, provided that such statement has been submitted prior to the vote on passage.

SA 3563. Mr. HELLER submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

SEC. _____. EXTENSION OF ENERGY CREDIT FOR CERTAIN ENERGY PROPERTY.

(a) QUALIFIED FUEL CELL PROPERTY.—Section 48(c)(1)(D) of the Internal Revenue Code of 1986 is amended by striking ''for any period after December 31, 2016'' and inserting ''the construction of which does not begin before January 1, 2022''.

(b) QUALIFIED MICROTURBINE PROPERTY.—Section 48(c)(2)(D) of such Code is amended by striking ''for any period after December 31, 2016'' and inserting ''the construction of which does not begin before January 1, 2022''.

(c) COMBINED HEAT AND POWER SYSTEM PROPERTY.—Section 48(c)(3)(A)(iv) of such Code is amended by striking ''which is placed in service before January 1, 2017'' and inserting ''the construction of which begins before January 1, 2022''.

(d) QUALIFIED SMALL WIND ENERGY PROPERTY.—Section 48(c)(4)(C) of such Code is amended by striking ''for any period after December 31, 2016'' and inserting ''the construction of which does not begin before January 1, 2022''.

(e) THERMAL ENERGY PROPERTY.—Section 48(a)(3)(A)(vii) of such Code is amended by striking ''periods ending before January 1, 2017'' and inserting ''property the construction of which begins before January 1, 2022''.

(f) GEOTHERMAL ENERGY PROPERTY.—Subclause (II) of section 48(a)(2)(A)(i) of such Code is amended by striking ''paragraph (3)(A)(i)'' and inserting ''clause (i) or (iii) of paragraph (3)(A)''.

(g) PHASEOUT OF 30 PERCENT CREDIT RATE FOR FUEL CELL, SMALL WIND, AND GEOTHERMAL ENERGY PROPERTY.—

(1) IN GENERAL.—Subsection (a) of section 48 of such Code is amended by adding at the end the following new paragraph:

''(7) PHASEOUT FOR QUALIFIED FUEL CELL PROPERTY, QUALIFIED SMALL WIND ENERGY PROPERTY, AND GEOTHERMAL PROPERTY.—

''(A) IN GENERAL.—In the case of qualified fuel cell property, qualified small wind energy property, or property described in paragraph (3)(A)(iii), the construction of which begins before January 1, 2022, the energy percentage determined under paragraph (2) shall be equal to—

''(i) in the case of any property the construction of which begins after December 31, 2019, and before January 1, 2021, 26 percent, and

''(ii) in the case of any property the construction of which begins after December 31, 2020, and before January 1, 2022, 22 percent.

''(B) PLACED IN SERVICE DEADLINE.—Subparagraph (A) shall not apply to any property which is not placed in service before January 1, 2024.''.

(2) CONFORMING AMENDMENT.—Subparagraph (A) of section 48(a)(2) of such Code is amended by striking ''paragraph (6)'' and inserting ''paragraphs (6) and (7)''.

(h) PHASEOUT OF 10 PERCENT CREDIT RATE.—

(1) IN GENERAL.—Subsection (a) of section 48 of such Code, as amended by subsection (g), is amended by adding at the end the following new paragraph:

''(8) PHASEOUT OF 10 PERCENT CREDIT RATE.—

''(A) IN GENERAL.—In the case of property to which paragraph (2)(A)(ii) applies (before the application of this paragraph), the energy percentage determined under paragraph (2) shall be equal to—

''(i) in the case of any property the construction of which begins after December 31, 2019, and before January 1, 2021, 8 percent, and

''(ii) in the case of any property the construction of which begins after December 31, 2020, and before January 1, 2022, 6 percent.

''(B) PLACED IN SERVICE DEADLINE.—Subparagraph (A) shall not apply to any property which is not placed in service before January 1, 2024.''.

(2) CONFORMING AMENDMENT.—Subparagraph (A) of section 48(a)(2) of such Code, as amended by subsection (g), is amended by striking ''(6) and (7)'' and inserting ''(6), (7), and (8).''.

(i) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

SA 3564. Mr. SASSE submitted an amendment intended to be proposed to amendment SA 3464 submitted by Mr. THUNE (for himself and Mr. NELSON) to the bill H.R. 636, to amend the Internal Revenue Code of 1986 to permanently extend increased expensing limitations, and for other purposes; which was ordered to lie on the table; as follows:

At the end of title V, add the following:

SEC. 5032. TREATMENT OF TRANSPORTATION SECURITY ADMINISTRATION TRUSTED TRAVELER PROGRAM FEES.

Section 540 of the Department of Homeland Security Appropriations Act, 2006 (Public Law 109–90; 49 U.S.C. 114 note) is amended by striking ''and shall be credited'' and all that follows and inserting the following: ''; *Provided further*, That such fees shall be deposited in the general fund of the Treasury and shall be available to the Transportation Security Administration as provided in advance in appropriations Acts.''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mrs. FISCHER. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on April 7, 2016, at 9:30 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mrs. FISCHER. 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 April 7, 2016, at 10 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mrs. FISCHER. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate on April 7, 2016, at 10 a.m., in room SD–406 of the Dirksen Senate Office Building, to conduct a hearing entitled, ''The Federal Role in Keeping Water and Wastewater Infrastructure Affordable.''

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mrs. FISCHER. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate on April 7, 2016, at 10 a.m., in room SD–366 of the Dirksen Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mrs. FISCHER. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on April 7, 2016, at 10 a.m., in room SD–226 of the Dirksen Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INTELLIGENCE

Mrs. FISCHER. Mr. President, I ask unanimous consent that the Select